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HEARING
ON
NATIONAL DEFENSE AUTHORIZATION ACT
FOR FISCAL YEAR 2020
AND
OVERSIGHT OF PREVIOUSLY AUTHORIZED
PROGRAMS
BEFORE THE
COMMITTEE ON ARMED SERVICES
HOUSE OF REPRESENTATIVES
ONE HUNDRED SIXTEENTH CONGRESS
FIRST SESSION
—
SUBCOMMITTEE ON SEAPOWER AND
PROJECTION FORCES
MEETING JOINTLY WITH
SUBCOMMITTEE ON READINESS
OF THE
COMMITTEE ON ARMED SERVICES
HOUSE OF REPRESENTATIVES
ON
**U.S. TRANSPORTATION COMMAND
AND MARITIME ADMINISTRATION:
STATE OF THE MOBILITY ENTERPRISE**
—

HEARING HELD
MARCH 7, 2019



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**U.S. TRANSPORTATION COMMAND
AND MARITIME ADMINISTRATION:
STATE OF THE MOBILITY ENTERPRISE**

HOUSE OF REPRESENTATIVES, COMMITTEE ON ARMED
SERVICES, SUBCOMMITTEE ON SEAPOWER AND PROJEC-
TION FORCES, MEETING JOINTLY WITH THE SUBCOMMIT-
TEE ON READINESS, *Washington, DC, Thursday, March
7, 2019.*

The subcommittees met, pursuant to call, at 2:00 p.m., in Room 2118, Rayburn House Office Building, Hon. Joe Courtney (chairman of the Subcommittee on Seapower and Projection Forces) presiding.

OPENING STATEMENT OF HON. JOE COURTNEY, A REPRESENTATIVE FROM CONNECTICUT, CHAIRMAN, SUBCOMMITTEE ON SEAPOWER AND PROJECTION FORCES

Mr. COURTNEY. Now that Mr. Norcross is done, we can get started. [Laughter.] Exactly, yes. So this hearing is now open of the joint Subcommittees of Seapower and Readiness, and our witnesses are here today, General Lyons and Admiral Buzby. Again, the topic today is on USTRANSCOM [U.S. Transportation Command] and MARAD [Maritime Administration], the state of mobility enterprise and again, this is an issue that straddles both subcommittees. And as in past years, we have tried to do this on a joint basis so that when we get to markup we are all sort of going in the same direction.

Before we get started, I would like to just take a moment of privilege to recognize someone in the audience here today, who is the former chair of the Seapower Subcommittee who's visiting the Hill this week and that is former Congressman Gene Taylor from Mississippi. And thank you, Gene. It is great to see you here.

So good afternoon. As I said, this is a combined hearing of the Seapower and Projection Forces Subcommittee. And, again, by way of background, the two subcommittees hold this joint hearing each year to receive testimony on the posture of TRANSCOM and also the MARAD mission, which falls under joint jurisdiction of the T&I [Transportation and Infrastructure] Committee and the House Armed Services Committee.

This year comes in an important moment for several of the major mobility programs. The Department of Defense recently completed a new Mobility Capabilities and Requirements Study as directed by Congress in 2017. Members of the Seapower Subcommittee had already the opportunity to review the strengths and significant weaknesses in that report as it guides future investment in our mobility forces.

In addition, the Air Force has now accepted its first new tanker aircraft, but technical deficiencies and other issues continue to plague the program as our existing tankers advance towards near senior-citizen status. On the sealift side, we continue to face the challenge of recapitalizing an aging Ready Reserve Force as well training ships for our State maritime academies.

Unfortunately, due to the delayed budget submission this year, we do not have the benefit of reviewing specific proposals and funding levels with our witnesses today. However, I would remind our members that these two subcommittees have exercised independent judgment outside of the administration's budget proposals in the last 2 years in order to address these persistent obstacles to achieving the goal of a high-functioning mobility enterprise.

For example, last year the administration proposed cutting the Maritime Security Program [MSP] by nearly 30 percent. The Maritime Security Program is a vital component of our military strategic sealift and global response capability. MSP is designed to ensure that the United States has U.S.-flag commercial sealift capability and trained U.S. citizen merchant mariners available in times of war or national emergencies.

It is good value for the money, providing a fleet of 60 cargo vessels for less than a third of the cost of just one *Arleigh Burke*-class destroyer. The Seapower Subcommittee rejected the proposed cut in the fiscal year 2019 NDAA [National Defense Authorization Act] and the fiscal year THUD [Transportation, Housing and Urban Development, and Related Agencies] Appropriations Bill supported that committee's action.

The administration also proposed insufficient funding for the National Security Multi-Mission Vessel [NSMV] program, which provides training vessels for use by the State maritime academies for cadets for a career in the merchant marine industry. It also proposed procuring used vessels for the NSMV program rather than building new vessels in U.S. shipyards. This subcommittee rejected both proposals, authorizing sufficient funds for procurement of one NSMV and including language restricting MARAD from procuring used vessels for the program.

Due to the imminent retirements of certain Ready Reserve Force [RRF] vessels, the administration initially proposed to recapitalize the RRF based on a strategy heavily reliant on foreign-built vessels. Seapower, again, rejected that proposal and required in law that TRANSCOM provide a plan to procure new sealift vessels built at shipyards in the U.S. While I commend the Navy for exploring options to use a single hull form to replace multiple sealift missions, I believe the strategy will prove unaffordable. I think a more practical solution would be to take a proven mature design from commercial market and begin building that in U.S. shipyards. This would not only be a quicker way to recap our sealift force, but it would also have great benefits to our shipbuilding industrial base. And I would be interested in hearing your opinions on that strategy.

Winston Churchill once stated that, "Victory is the beautiful, bright-colored flower. Transport is the stem without which it could never have blossomed." I hope the hearing today will be beneficial to the members and to the public as we review the importance and

readiness of our logistics forces and their central role to the success of our Armed Forces in conflict. And with that, I yield to my friend, the ranking member, Mr. Rob Wittman, for any opening remarks.

[The prepared statement of Mr. Courtney can be found in the Appendix on page 41.]

STATEMENT OF HON. ROBERT J. WITTMAN, A REPRESENTATIVE FROM VIRGINIA, RANKING MEMBER, SUBCOMMITTEE ON SEAPOWER AND PROJECTION FORCES

Mr. WITTMAN. Thank you, Mr. Chairman. Thanks much for your leadership on this. And I want to thank my Readiness colleagues also for this joint hearing. I think this venue is particularly important to ensure Congress is focusing on critical and sometimes unheralded national security concerns. Additionally, I want to thank General Lyons and Admiral Buzby for testifying on the state of our mobility forces.

Since reviewing this portfolio last year, one thing is certain. Our aged Ready Reserve Force of 46 ships which averaged 43 years of age a year ago now averages 44 years of age. With no recapitalization in place and only a distant hope that the Navy will find this a priority, I continue to be perplexed as to how the Army and the Marine Corps expects to get to the future battlefield on these aged ships.

Last year, the Navy proposed a three-tiered strategy of extending the service life of the existing force and procuring used vessels and preparing a new construction strategy. Unfortunately, each of these three tiers has failed to deliver. And on top of this, our logistics force has continued to atrophy. Congress has done what needs to be done in this effort and authorized the procurement of seven used vessels to begin replacing the Ready Reserve Force.

We have done the work on our end. Now, Navy needs only to lift their fingers and sign a contract to begin and procure these readily available vessels. I hope that we can begin to better address this deficit issue in the fiscal year 2020. On a positive note, I am pleased to understand that General Lyons has also recognized this critical shortfall and has identified the surge sealift force as his number one readiness concern.

As for aerial refueling forces, the Director of Cost Assessment and Program Evaluation, also known as OSD [Office of the Secretary of Defense] CAPE, authored a recent assessment of the overall refueling forces force structure. In this assessment, OSD CAPE opined that the refueling force structure requirements today were the same as was previously identified in a 2013 mobility study. This is in sharp contrast to Secretary Wilson's force structure assessment, where her vision states refueling air forces represented one of the biggest shortfalls in her "the Air Force we need" proposal.

Under the Secretary of the Air Force's plan, aerial refueling would have seen significant growth, increasing from 40 to 54 squadrons. I look forward to better understanding the aerial refueling force structure challenges General Lyons identified as his second most important readiness concern.

Finally, I continue to be concerned about the modernization of our mobility forces and their ability to operate in a contested envi-

ronment. While sensor nodes and defensive countermeasures exist in a multitude of our mobility platforms, I think that we need to significantly improve organic capabilities to ensure deep penetrating capabilities in a contested environment. I think that this concern is particularly acute with our tanker force structure. I look forward to better understanding how TRANSCOM expects to best posture their forces and their modernization plan to ensure mobility success in a contested environment.

As I reflect on the state of our mobility forces, I think that we have made great strides in our logistics, and we constantly measure our success based on the mobilization that occurred during Desert Storm. And I am reminded of what Lieutenant General Frederick Franks, the VII Corps Commander, then responsible for our Desert Storm forces Left Hook as it was called, in response to questions about his concerns during this operation, he indicated that if you forget logistics, you lose.

My fear is that we have allowed our logistics forces to become a seam issue and our ability to project forces in a contested environment is becoming increasingly compromised. I look forward to pursuing options that we might begin to change our mobility forces, so that we might become more agile and lethal when addressing our most challenging warfighting scenarios. I thank the chairman for organizing this important hearing and I yield the balance of my time.

[The prepared statement of Mr. Wittman can be found in the Appendix on page 43.]

Mr. COURTNEY. Thank you, Rob. And I would now recognize Mr. Garamendi, the chair of the Readiness Subcommittee.

STATEMENT OF HON. JOHN GARAMENDI, A REPRESENTATIVE FROM CALIFORNIA, CHAIRMAN, SUBCOMMITTEE ON READINESS

Mr. GARAMENDI. Thank you, Mr. Courtney, Mr. Wittman. My goodness, I love your passion on this issue. I love your leadership. You really moved this thing forward. The work that I was doing in the previous Congress with the Coast Guard Maritime [Coast Guard and Maritime Transportation Subcommittee] dovetails directly with what we have before us today and your work in the previous Congress really brought us forward.

I am going to read this just because my staff will be unhappy if I don't, so I will do it, but you really covered most of it. First of all, Admiral Buzby and General Lyons, thank you. I appreciate the conversations we had before this hearing. And I am going to cover one other thing before I end here. I really look forward to this discussion, how TRANSCOM and MARAD are poised to meet the mobility and the logistical demands of a major contingency.

Those who are new to this issue, obviously not my colleagues here, may be surprised by the degree to which this enterprise requires significant collaboration within and outside the Department of Defense, particularly with the commercial sector. I am eager to learn how TRANSCOM and MARAD are navigating their key relationships with the military departments and importantly, the industrial base.

Moreover, General Lyons and Admiral Buzby, I encourage a very frank discussion today. We are not going to dance around this issue. Obviously my colleagues in their impassioned opening statements made that clear that they won't either. The issue of mobility is absolutely crucial. It is often overlooked, but you can't go to war without it. I really love the quotes you guys found. Those are really good.

So I won't go into any more of my own quotes here, maybe I am not even capable of establishing one. Our ability to take the fight to the enemy is predicated on the proper functioning of the aircraft and vessels needed to move our troops and their equipment. As yet, I am concerned with the services' continuing ability or not ability to prioritize investments with combat power without sufficient regard to the required logistics and mobility assets.

And so as our witnesses are keenly aware, advanced platforms and technologies will have little opportunity to matter if we lack the ability to project that power and get it where it needs to be done. It is critical that we have robust strategy for recapitalizing our aging sealift fleet. In particular, I would like to understand how the committee could further assist in doing that.

Another issue is before us, and that is the issue of the personal property of the men and women of the military. We could probably spend several days on this issue. General Lyons, we talked about it. I told you that I would like to see your strategy and the way in which you intend to pursue and why it is the right way to do it. I won't go further into this except to say this chart that I asked you to prepare when we talked yesterday is before us. Those red X's and the yellow X's ought to give our friends with whom we spent most of the morning, the combatant commanders, a real serious heartache, headache, and indigestion. This chart represents why we are here today and what we are going—what we need to do to address it. With that, I yield back.

[The prepared statement of Mr. Garamendi can be found in the Appendix on page 45.]

Mr. COURTNEY. Thank you, John. And I now recognize the ranking member of the Readiness Subcommittee, Mr. Lamborn.

STATEMENT OF HON. DOUG LAMBORN, A REPRESENTATIVE FROM COLORADO, RANKING MEMBER, SUBCOMMITTEE ON READINESS

Mr. LAMBORN. Thank you. I want to thank you all for having this hearing, Mr. Chairman. And today, the subcommittee will hear from the commander of Transportation Command and the administrator of the Maritime Administration on how well DOD [Department of Defense] is postured to meet the heavy and sustained logistical demands of a major conflict. And I have heard some great quotes from Winston Churchill and Lieutenant General Franks, so I am going to throw in a quote, but I don't know who made it. I just know the quote itself and that is, "Amateurs talk about strategy, professionals talk about logistics."

And I think that that highlights the importance of logistics when it comes to fighting warfare and being successful. And that is why you two men are doing what you do and that is why you are here today. While TRANSCOM has operational control of some Air

Force and Navy-owned aircraft and ships for this mission, a major contingency will require the substantial assistance of the U.S. commercial air and shipping fleet as well as the domestic rail industry.

Further, TRANSCOM must rely on the military departments to budget for critical organic assets such as ships, planes, reinforced railcars, and ports, and commercial air, rail, and shipping industry to willingly participate in defense logistical programs. TRANSCOM can influence but cannot direct Army, Navy, and Air Force budget decisions nor commercial industry business decisions.

We understand that there are some deficiencies given this complex system, and that these must be addressed. Among these are the Air Force's aging tanker fleet and some near-obsolete vessels—Chairman Garamendi made reference to that and it is on our placemat—that are part of our surge sealift fleet. We welcome the witnesses' perspective on these issues and any recommendations that they may have.

And finally, we understand that TRANSCOM intends to change the management structure of the personal property shipment program, which arranges for the movement of military family household goods from base to base. While this program sorely needs improvement, any changes contemplated must be well-thought-out measures that provide for far better service to military families and not just change for change sake.

And I have it on good authority now that that quote I gave was from Omar Bradley. To put things into context. Thank you, Mr. Chairman and Mr. Chairman, and I look forward to the witnesses' testimony.

[The prepared statement of Mr. Lamborn can be found in the Appendix on page 46.]

Mr. COURTNEY. Thank you, Mr. Lamborn. Google is a wonderful thing. So now I will turn this over to the witnesses and again—actually, General Lyons, real quick, maybe at the outset you could just sort of explain what the placemat is, which again, I think, I agree with John, it is very powerful.

[The placemat referred to can be found in the Appendix on page 71.]

General LYONS. Chairman, I can. Distinguished members and chairmen, ranking members, before you, you have a placemat that looks like this. It depicts the 61 vessels, 15 of them are the surge sealift fleet managed by the Military Sealift Command [MSC], the remainder, the 46, are managed by the Maritime Administration.

And what you can see depicted on the map here is in blue represents the hulls that exceed 30 years of age. And I only mention that because if I looked at commercial industry, the average age would be about 19 years. And so they look to start retiring their vessels about the 15-year mark and kind of—they know that the M&R [maintenance and repair] on the backend is much more expensive to maintain an old ship.

The red X's over the top of the vessels represent those vessels that do not currently have certificates of inspection from United States Coast Guard. And the yellow X's represent those ships that currently require unscheduled maintenance to be underway, that is an additional 13 ships. And then I would also point out—

Mr. COURTNEY. General, could you pull the microphone just a little closer? Thank you.

General LYONS. Yes. Sorry about that, Chairman. And then I would also point out to the left of the chart represents the 26 steam propulsion ships that are in the fleet. I only highlight this because by 2021, it will be—the Department of Defense will be the sole owners of steamships underneath the U.S. flag. And by itself, steam propulsion is not an issue, but the manners to crew and the level of proficiency that comes from the merchant marine is dwindling very, very rapidly and Admiral Buzby can wax eloquently on that.

Chairman, what I would leave you with here is today if you ask me how much of our sealift capacity, particularly the 50 roll-on/roll-off ships, could we generate, as I looked at this in my update brief yesterday, that is about 65 percent of the capacity, which is not a passing grade.

Mr. COURTNEY. So, again, whatever order you want to proceed, be my guest.

**STATEMENT OF GEN STEPHEN R. LYONS, USA, COMMANDER,
U.S. TRANSPORTATION COMMAND**

General LYONS. Chairman Courtney and Chairman Garamendi, and Ranking Member Wittman and Ranking Member Lamborn, and distinguished members of the committee, it is an honor to appear before you today and represent the incredible men and women of United States Transportation Command, and I am pleased to join Administrator Buzby, who is a great friend of the Department of Defense and a great friend to the United States Transportation Command.

Distinguished members, I could not be more proud of the members of the United States Transportation Command team. Every day they project and sustain the force globally, and our global deployment networks, our transportation capacity in air, on land, and over the seas, and our global command and control capabilities, combine to provide the United States with a strategic comparative advantage unmatched by any other nation around the world.

We maintain this advantage with the help of our allies and partners, who are key to regional access and basing needed for DOD global reach. Somewhere on the globe at this moment, a TRANSCOM aircraft is touching down every 3 minutes, TRANSCOM ships are underway, trains are loading, aerial refuel missions are in orbit overhead, and planes converted to intensive care units are moving our Nation's ill and injured.

We must never take our success for granted, as you know, and I would like to take this opportunity to point out, as the chairman indicated, my number one concern for the joint deployment enterprise, and that is sealift readiness. As I mentioned today, our sealift fleet is able to generate only 65 percent of our required capacity and is rapidly approaching end of useful life. The need to recapitalize is urgent. I believe accelerating the used vessel purchases as Chairman Courtney mentioned with the authority Congress provided in the last 2 years is probably the most practical way ahead.

Before closing, I would like to acknowledge the recent criticism of the Department of Defense household goods program. And I will

simply say that I agree with the criticisms regarding insufficient capacity during peak and the level of accountability within the Department. In consultation with the service secretaries—I met with each of the service secretaries, I met with each of the service chiefs, and on behalf of the Department, TRANSCOM is leading the issue to restructure our relationship with industry in an effort to improve quality, capacity, and accountability. But I want to make sure, just to be clear, the Department will never relinquish responsibility to private industry.

In closing, proud to support DOD's enduring mission of providing combat credible military force to deter war and protect our national security interests. Our Nation relies on TRANSCOM to respond with an immediate force on short notice and seamlessly transition to project a decisive force when needed. I am fully committed to retain the strategic comparative advantage. I thank you for your support to the Department and to TRANSCOM and I look forward to your questions, Chairman.

[The prepared statement of General Lyons can be found in the Appendix on page 47.]

Mr. COURTNEY. Thank you, General. Admiral.

**STATEMENT OF RADM MARK H. BUZBY, USN (RET.),
ADMINISTRATOR, MARITIME ADMINISTRATION**

Admiral BUZBY. All right. Good afternoon, Chairman Courtney, Chairman Garamendi, Ranking Members Wittman and Lamborn, and members of the subcommittees. I appreciate the opportunity to discuss the Maritime Administration's role in supporting the Department of Defense's strategic sealift capabilities.

U.S. strategic sealift consists of government-owned vessels and assured access to a fleet of privately owned, commercially operated U.S.-flag vessels and intermodal systems and most importantly, the civilian mariners that operate them. Together, this group of ships and mariners transports equipment and supplies to deploy and sustain our military forces globally. However, our sealift enterprise faces critical challenges to providing the readiness assurances needed to meet the global threats we now face.

The Navy-funded MARAD-operated Ready Reserve Force is comprised of government-owned ships in the National Defense Reserve Fleet. The RRF fleet is maintained in a reduced operating status of 5- or 10-day activation readiness to support sealift missions during major contingencies or special tasking.

When needed, these 46 RRF vessels plus the 15 MSC sealift vessels provide the initial surge of sealift capacity with U.S. commercial vessels providing the follow-on sustainment. The current RRF fleet, as Congressman Wittman noted, has an average age of 44 years and is becoming increasingly difficult to maintain at required readiness as you can see from your placemat. Until RRF fleet recapitalization is complete, readiness maintenance challenges will continue. The escalating repair cost and availability of shipyard facilities for emergent maintenance and near-term service life extensions are concerning.

We are taking steps toward implementing the Navy's plan to recapitalize the RRF fleet known as "Sealift [That] the Nation Needs." A key part of that three-pronged plan is the acquisition

and conversion of used ships to the RRF beginning with the purchase of two vessels as authorized by the fiscal year 2018 NDAA. In January, the Navy in coordination with USTRANSCOM provided MARAD with the desired characteristics for replacement ships to be acquired from the commercial market.

MARAD then released a request for information to identify suitable ships and responses are due back later this month. MARAD is also working to replace training vessels that we provide to the six State maritime academies. These vessels are also elderly and require replacement. We appreciate the support that Congress has provided for the school ship recapitalization program, the National Security Multi-Mission Vessel.

Two are currently funded, one each in fiscal year 2018 and 2019. MARAD has implemented the acquisition strategy and the first of the two new training ships is expected to be delivered in 2023.

Our Nation's strategic sealift is augmented by the U.S.-flag commercial vessels. Of the approximately 50,000 large ocean-going commercial vessels in the world today, fewer than 200 sail under the U.S. flag including 82 vessels operating exclusively in international trade. The remaining 99 operate almost exclusively in Jones Act trades. These types of vessels are critical to the employment base for mariners that we need for the RRF.

Congress established the Maritime Security Program, cargo preference laws, and the Jones Act to foster and develop—foster the development and encourage the maintenance of a robust merchant marine. The MSP helps maintain a fleet of 60 militarily useful ships operating in international trade in peacetime and employing U.S. mariners fully qualified for sealift operations.

Importantly, the MSP assures DOD access to a critical global network of intermodal facilities and transport systems that we simply would not be able to replicate. Cargo preference laws requiring the transport of 100 percent of DOD cargo and 50 percent of other government cargos in U.S.-flag ships supports the sustainment and readiness of our international commercial fleet and the continued employment of American mariners.

Access to a pool of qualified mariners from a robust commercial fleet is essential to maintaining readiness. As I testified last year, I am deeply concerned about our ability to muster adequate number of mariners to operate the sealift fleet needed for surge and sustainment operations during a mobilization lasting more than about 6 months. And without question, the Jones Act is absolutely foundational to our Nation's ability to maintain a merchant marine in peacetime that will be there to serve this Nation in time of crisis.

As our merchant marine flag says, "In peace and war." Thank you for the opportunity to testify today and discuss this critical portion of our Nation's military capability. I appreciate your support for the men and women of the U.S. merchant marine and I look forward to your questions.

[The prepared statement of Admiral Buzby can be found in the Appendix on page 63.]

Mr. COURTNEY. Thank you to both witnesses. I am going to reserve my questions until the end, so at this point, then, I would yield to the ranking member, Mr. Wittman.

Mr. WITTMAN. Thank you, Mr. Chairman. I will go ahead and do the same in deference to our members to go and let them—let them question—ask questions.

Mr. COURTNEY. Mr. Garamendi.

Mr. GARAMENDI. You guys are establishing a terrible precedent. We have got to end this practice right here. I won't take too long here. I had the pleasure of going over almost all of these questions with the witnesses in the previous days, but I think there are a couple of things that we need to get on the record here, some of which you have already talked about. I want to be very specific about how we are going to carry—how you intend to carry out the plans that were in the last year's NDAA.

You mentioned it. I want to go—I want you to go into detail, Admiral Buzby, if you would start that—the plan, buy ships, build ships, where are we, and as you go through that, could you keep in mind the placemat, and specifically the critical ships that are absolutely necessary immediately if needed. So if you can kind of pull this together, how are we going to carry out—

Admiral BUZBY. Yes, sir.

Mr. GARAMENDI. Okay. Thank you.

Admiral BUZBY. Sure. Thank you. So, again, the three-pronged plan, service life extension, buy new or used ships, and build new ships. The build of the new, that is still several years down the road. The Navy is focused on doing that. I don't expect to see those ships for 5 or 6 years at the very earliest. So I am really concentrating on the two pieces that I have that are nearest to me. The service life extensions, we are being given money by the Navy to finance some of those service life extensions. However, a lot of that money we are having to put toward getting rid of some of these X marks that you are seeing on these ships right now. We are having to—the pace of repair is outpacing the pace of service life extension.

Mr. GARAMENDI. Yes. How much are you spending on that? You are basically putting money into a sinking ship?

Admiral BUZBY. That is—well, so far they haven't sunk, but we are keeping them afloat with that money. I mean a lot of these—a lot of the Xs that you see here right now are for steel repairs. They are cropping out wasted steel in the ships that we are finding in—that are part of the ship's structure that we need to ensure that they have structure before we even modernize it. So a lot of that effort is going toward there. So we are not making any headway toward extending that service life.

As I mentioned in my statement, we are beginning the process of procuring the new or used ships. We have that request for information on the street right now. It is due back on the 16th of March, which will help inform us on what is out there, and we are looking primarily for roll-on/roll-off ships; the specifications we put out there were to replace those high-priority ships that General Lyons has said are necessary to move the forces he needs to move, so those—that is what we are focusing on right now.

So when we get that response back from those RFIs [requests for information], we will have a good sense for what is out on the market and about how much it is going to cost us for a ship that is

about the 15-, 18-, to 20-year-old point that we are looking to bring into the force.

Mr. GARAMENDI. I am concerned about this. Is the priority for those ships that are least likely to float, operate, or is the priority for those ships that are least likely to float and most necessary for the combatant commanders? Combination of those two——

Admiral BUZBY. Yes, I think—I think yes to everything. I mean, we are going to have to look—take a very good hard look and prioritize the importance of the ship by its—and its condition. Some of these ships are in much better condition than others. Some have just deteriorated more——

Mr. GARAMENDI. That is the ship—that is the ship condition. At the same time, there are specialty ships here. I noticed some of those are X-ed out also.

Admiral BUZBY. Right.

Mr. GARAMENDI. Are those specialty ships then a priority because they—there is no other ship available, that that one is not available? So I am looking at two different criteria to establish where you go first.

Admiral BUZBY. Right. So the initial push and the request for information has been for the roll-on/roll-off ships. We have not begun to address the replacement of the specialty ships yet; we are looking at plans for them, we are looking at the type of ships that could be used to replace those, but——

Mr. GARAMENDI. In the remaining 21 seconds, I will just put it this way to you. There are two different criteria here; they have to be merged, and I want to be quite certain that they are indeed merged. There are these specialty ships that maybe that the Marines or someone else needs a very certain type of ship that is about sink and therefore that becomes a priority. If you can't find it out there in the big world, that may have to be built. So I want you to get into that. Thank you, and I yield back.

Admiral BUZBY. Right. Sure.

Mr. COURTNEY. Thank you. Mr. Lamborn.

Mr. LAMBORN. Thank you, Mr. Chairman. General Lyons, just two questions for you and then we will move on to other folks. Your testimony is clear and compelling about the need to improve our national sealift capacity to deploy Army forces overseas. And, of course, in order to get to domestic seaports, Army equipment must travel by rail from their home station to the port, from fort to port. Please describe how you coordinate rail travel and the importance of our rail system.

General LYONS. Sir, thanks for the question because it is very important from a CONUS [contiguous United States] power projection platform perspective that we have the right—the appropriate highway network, rail network, and seaport network that you referred to. So inside of our headquarters is the executive agents for the Department, we look at those very issues. So railways for national defense, for example, and we assess the suitability and sufficiency of the connector routes from our power projection platforms out to our 23 strategic ports. And we assess today that that—those rail networks are in good condition, sir.

Mr. LAMBORN. Excellent. That is good to hear. And finally, we are happy to hear that you and the military services are pursuing

improvements to the personal property shipping program. At the same time, significant change to a longstanding if flawed system must be done carefully, especially in an industry with a multitude of small business providers. How will you ensure small business will be treated fairly in the new system at the same time as making sure our military families are treated with the respect they deserve?

General LYONS. Sir, it is our intent on this restructure with the commercial industry actually to present the conditions through which we can grow capacity. One of the fundamental issues we have is we have insufficient quality capacity during peak season and the carriers really struggle with that. And so we would like to restructure our relationships so that it is not an annual transactional basis, 400,000 transactions in a year, but it is more longer term and we are incentivizing the appropriate level of investment.

So it is how industry—some industry reps are very supportive, some industry reps are very concerned and that is very understandable. It is a very complex enterprise, but what we want to do is grow capacity, not shrink capacity. I need as many if not more moving companies out there providing quality service at the curbside, sir.

Mr. LAMBORN. Thank you. Mr. Chairman, I yield back.

Mr. COURTNEY. Thank you, Doug. Mr. Norcross.

Mr. NORCROSS. First of all, I want to thank the ranking member and the chairman from Seapower for diverting their questions. The other chairman will have to work on that a little bit.

[Laughter.]

Mr. GARAMENDI. Sir, you are also a chairman, I am sure you will waive yours, too?

Mr. NORCROSS. We will work on that one. Obviously, this has the attention of all of us, that we can have the greatest flying fleet in the world but if we can't get it refueled, it is a big problem. Several years ago we had General McDew in, who said to a question I asked him, what keeps you up at night, and he said refuelers. Well, we are still here. So, General, when we look at the news in the last 48 hours, there are some very big concerns. The good news at least for a day or two is that the delivery of the new KC-46 has started. The bad news within 48 hours is they came with a little extra baggage.

We now understand that program is on suspension of deliveries. Here we are with another setback. What is that going to do for your scheduling for bringing in the new fleet? And in many ways more importantly, how do you handle the existing ones that we are putting—keeping together with tape?

General LYONS. Sir, I think you alluded, our aerial refuel capability is really the lifeblood of our joint forces capability to project power in an immediate kind of fashion for almost—not exclusively but the majority of our mission sets as a department, and it is, from the TRANSCOM perspective, the most stressed capability in terms of levels of sufficiency are not where they need to be and we are growing that. And I was frankly pretty pleased to see the Air Force's decision to accept the KC-46 and I know there are some issues that they are working through and I have full confidence in

the Air Force to work through those and work with Boeing on a corrective action plan.

But I think over time, we are headed in the right direction with the investment in the KC-46. And we are also working with the Air Force to ensure that we don't have a dip in capacity—operational capacity as we go through the conversion. So the Air Force is leaning forward in this. I am very grateful for what they are doing here.

Mr. NORCROSS. Do you think this extra tools that were left in there which suspended it, is going to be weeks, months until they make the corrective action?

General LYONS. Sir, I don't have a sense for that. I will defer to the Air Force, you know, as they work the corrective action plan with Boeing. I completely trust their level of expertise to make the right decision.

Mr. NORCROSS. Are they giving you any indication, because you are the one who has to make it work?

General LYONS. I am. I mean, our air component, General Maryanne Miller is phenomenal, she is the head of the mobility air forces. We talk frequently obviously and I have full confidence that they will get to the right solution set and we're flying safe airplanes.

Mr. NORCROSS. Thank you. Admiral, you mentioned the Jones Act and that has been the backbone in many ways to keep what little fleet we have going. There are some discussions now for Puerto Rico and they waived the Jones requirement right after the hurricane so we could get all the help we could get, which most of us understand.

But now with a switching to the LNG [liquified natural gas] for power, they are looking to get a waiver from the White House for up to 10 years. I would love to get your view on this and what this means for the future of those you will need.

Admiral BUZBY. All right. Thank you for the question, sir. As you rightfully cited, Jones Act is absolutely foundational, and we in the Department of Transportation and Maritime Administration particularly, we are going to live and die on the Jones Act.

There are provisions in the Jones Act for waivers that are very specific, it has to be for national security impact. So we are aware that the waiver has been requested by the governor. That has to be evaluated based on impact to national security, and I think that process is working its way through the system; it has not come to MARAD yet. So if there is a case to be made it will have to be made.

Mr. NORCROSS. So in your view, would it be a positive step for the Executive order or a negative step?

Admiral BUZBY. Well, again, if there is justification for such a waiver, we will have to just make the—

Mr. NORCROSS. I shouldn't put you in that position—

Admiral BUZBY. Right.

Mr. NORCROSS [continuing]. Against the President. We know how critical this is, I will leave you one bit of good news. Each of us had the honor of making recommendations to the different academies. For the first time, the highest number of applicants were for the merchant marines.

Admiral BUZBY. I am happy to hear that, sir.

Mr. NORCROSS. So it will only take another 10 years to get them experienced——

Admiral BUZBY. I was appointed from New Jersey myself.

Mr. NORCROSS. Thank you. And I yield back.

Mr. COURTNEY. Thank you. Mr. Scott.

Mr. SCOTT. Thank you Mr. Chairman. And gentlemen, I want to talk about the issue with regard to steam and education if you will. I think we have six maritime academies in the United States.

And my question is, because this issue of steam is something that has been brought to us before, are we mandating that students take classes in this area to graduate and with a degree from those academies?

Admiral BUZBY. Yes, sir. All of our graduating third assistant engineers that have unlimited horsepower licenses, so all of those that are coming out of the six State maritime academies plus Kings Point all have steam endorsements when they graduate.

Mr. SCOTT. But if I can follow up with that a little bit, it is not the issue I don't believe, and correct me if I am wrong, but the reason we have the yellow marks on the ships is not that we don't have somebody who is capable of operating that ship from a captain standpoint; is it not from a maintenance standpoint on the steam turbines?

Admiral BUZBY. So far we have sufficient steam engineers as we sit right now to operate those ships and to fully man them when we have to activate those ships. And the challenges of maintenance are not strictly just to steam plants, there are diesel ships on here as well that are suffering the same. It is the structure of the ship more than it is the power plant that is suffering the readiness issues.

Mr. SCOTT. Okay. At least it appears that there is a larger percentage of steamships that are not operational than there are on the other ships.

Admiral BUZBY. They tend to be the older ships.

Mr. SCOTT. That was my next question, was that simply due to the age of the ships. I know that you are a graduate of the Merchant Marine Academy, I just want to express my support for that academy and how important it is to our national security.

Admiral BUZBY. Thank you, sir.

Mr. SCOTT. And I took my kid up there to look at it and he opted for Valdosta State University and so they hit my credit card this morning. The service life extensions that the Navy is currently funding for our ships, these maintenance contracts are obviously, this isn't something that many times happens in one fiscal year or in many cases even two fiscal years.

Is there a way for us to do that in a more efficient manner where it is better for our contractors and for us, multiyear appropriations if you will?

Admiral BUZBY. That is a tough one to answer. We work very closely with the Navy, our funding source, and we lay out for them our proposed what needs to be extended.

A lot of the time on the ships it is control systems for and replacement of obsolete equipment, equipment that is not even produced anymore. So those are the kinds of things that enable that

ship to extend its service life. We lay out a pace with the Navy that we would like to achieve especially when it comes to some of the equipment that is less supportable than others.

And the Navy works with us in terms of providing that level of funding back to us. And that ranges anywhere between about \$800,000 to \$3.5 million per ship to do some of those service life extensions.

Mr. SCOTT. And so I assume there has been an evaluation done on service life versus the purchase of new used and which ones.

Admiral BUZBY. Right. There is a business case that the Navy is doing that we have assisted with, we provided input to. Some of the ships that are more critical and more difficult to replace, some of the specialty ships as Mr. Garamendi mentioned that lend themselves to, they're in slightly better condition. The idea is we extend these ships out to 60 years in some cases, if a case is there to be made to do that.

Mr. SCOTT. So one last question if I can and following up just a little bit on what Mr. Garamendi said, ships like the SS *Cape May* that move barges if I am not mistaken.

Admiral BUZBY. Right.

Mr. SCOTT. We only have two of those.

Admiral BUZBY. Correct.

Mr. SCOTT. Right? I assume we keep one on the East Coast, one on the West.

Admiral BUZBY. Yes, sir.

Mr. SCOTT. If we needed to go to the private sector to lease a barge carrier, is that available in the private sector, or is that something that if we lost one of those ships that we would simply have to start over?

Admiral BUZBY. Well, we actually have a sister ship in reserve status down in Beaumont, Texas, that could be potentially used.

Those types of ships specifically aren't in commercial use anymore; they are very specific, which is a heavy-lift ship. There are other ships, more modern ships that can do a heavy-lift type mission. So when we ultimately have to replace these ships it will likely be with a ship that looks a bit different but can do the same sort of mission.

We are also looking at the possibility of re-engining a ship like this. You know, the hull in these ships are pretty good shape. It's the steam power plant—

Mr. SCOTT. Sure.

Admiral BUZBY [continuing]. That is more difficult. So that is not out of the realm of possibility either.

Mr. SCOTT. Thank you for your time and your service.

Mr. COURTNEY. Thank you. Congresswoman Luria.

Mrs. LURIA. Well thank you, General Lyons and Admiral Buzby, for being here today to discuss this important topic and thank you, Admiral Buzby, for going through some of the details with me yesterday.

I wanted to highlight first that the merchant marine has since the founding of America been an integral part of our national defense as evidenced by the fact that during the Second World War they suffered the highest casualty rate of any branch of the mili-

tary, losing 1 in 26 mariners and 733 ships. So I want to thank all of merchant mariners for their continued service to our Nation.

My focus today, in addition to the material condition we have talked about, I want to focus on several assumptions that we are making in determining whether our sealift assets are ready when we need them.

There was a maritime workforce working group in September of 2017 and several assumptions were made during that working group about the availability of mariners, and the shortage of mariners was identified to be about 1,800. But we made several assumptions in that process of which we said that a certain number of mariners would show up if requested and that 23 percent of the pool of currently licensed mariners who are not sailing would be willing to come back to sea.

And also a large portion of the mariners that we counted in the available pool are currently sailing with Military Sealift Command as contract mariners, approximately 2,044 of the mariners, and they may not be available as the Military Sealift Command ships are continuing to do their mission.

And so I just wanted to confirm starting with General Lyons that those are correct assumptions that TRANSCOM is using in order to determine the availability of mariners currently for this mission.

General LYONS. Ma'am, what I would say is this is where we work very, very closely with the Maritime Administration, because we rely on Admiral Buzby and his team to actually work the analysis on available mariners both underway and on the beach so to speak.

What I have asked our team to do is snap the chalk line in a particular day and let us run a TTX [tabletop exercise] and see how many ships we can generate, how many mariners we can generate, and just kind of run this through the drill if you would so we kind of get a better assessment.

Mrs. LURIA. Okay. I appreciate that. And I will actually get back to something similar later in my questioning. And wanted to ask you if it concerns you if these assumptions are not correct, the impact that it has on sealift readiness, but with that exercise, I assume that that will provide more clarification to be able to answer that question later.

So I wanted to shift over to Admiral Buzby. Other than the contractual requirement that the companies have to man the ships and get them underway, is there a specific requirement for the mariners in the commercially owned coast-wide oceangoing fleet to actually man these ships?

Admiral BUZBY. Manning of merchant vessels is voluntary.

Mrs. LURIA. Okay. And is there an incentive for people to volunteer to man the RRF or sealift fleet?

Admiral BUZBY. I think strictly the patriotism, they want to put their shoulder against the grindstone and help the effort at this point.

Mrs. LURIA. So doing some math, it looks like using the numbers that you used in your assumptions, for approximately every 26 assumed available mariners who don't show up for various reasons, not at all to question their patriotism, but some are otherwise em-

ployed by MSC and other things, that is 1 ship approximately that couldn't get underway to meet our sealift requirements.

And so I just wanted to confirm again, I know we have already talked about the 60 percent availability based off material condition, but can you say with full confidence that you will have enough mariners to get the sealift ships underway if they were called to respond today?

Admiral BUZBY. With full confidence, hundred percent confidence, I can't give you a hundred percent. And what I can tell you is that when we did that report, ma'am, labor was very heavily involved with that.

So they provided their insights, they provided their views on the numbers and how many people they felt would respond. So they have given us fairly good confidence that the numbers we have come up with, we are pretty confident we can get all the ships initially manned.

Mrs. LURIA. I understand. In interest of time, I am going to continue to the last part of questioning but I do understand that you are taking a closer look to make sure of the confidence of that data.

Admiral BUZBY. And we—

Mrs. LURIA. So shifting back to General Lyons, your staff and your component commands, when they conduct sealift contingency sourcing solutions for our different OPLANS [operation plans] and CONPLANS [concept of operations plans], they base that on a specific C-Day [Commencement Day], is that correct?

General LYONS. Yes, ma'am. That is correct.

Mrs. LURIA. Okay. So when you do contingency sourcing and you take into account the MSP and VISA [Voluntary Intermodal Sealift Agreement] ships on that C-Day, do you use an assumption of a timeframe? Is it 10 days that you use to determine when they would actually be available?

General LYONS. We do have a set of assumptions, wouldn't necessarily discuss it in the open forum but I would happy to come back to you and take that for record, ma'am.

[The information referred to can be found in the Appendix on page 78.]

Mrs. LURIA. Okay. And I just wanted to get it sort of—you know, we make this assumption and there is the personnel assumption and then, again, the "where in the world are these ships when we need them" assumption and the time distance to get them available to respond when we need them.

General LYONS. What I would say, ma'am, I think you scratched on the right issue; it is the mariners first, because I need the mariners first to rotate the gray hulls out and then I will get to the commercial ships.

Mr. COURTNEY. Okay. Apologies.

Mrs. LURIA. Okay. I understand I have run out of time.

Mr. COURTNEY. Yes. Well we may actually have a chance for a second round, but thank you. Mr. Cook from California by way of Connecticut.

Mr. COOK. Thank you, Mr. Chairman. You know, this is like part two, I hate to say it déjà vu all over of a committee hearing we had last year and a lot of us—it was probably one of the more conten-

tious hearings we had and it was about the KC-46 and a lot of the problems.

And I have to apologize for my colleague to the left of me, he was out of control and some of his questions there were—anyway, I think this really scares me and by the way, comments, Omar Bradley, I don't know if there is anyone in the room here that has met Omar Bradley except me.

And that is a reflection of my age. I was a second lieutenant, it was May 1967, he didn't smile once, he was yelling, I was yelling, and the subject was Operation Union on 15 May 1967. I remember everything about that. I can't remember where I put my cell phone, my glasses, this and that, but I remember those things.

But he was absolutely brilliant because we had some issues with the M16 and whether my conversation with him I think it kind of changed the whole progress of a weapon that when it was initially fielded it had all kinds of problems.

Anyway, this, a number of years ago and some of my colleagues in the past on the dais might have remembered that we always had issues getting the military budget passed, we had the sequester which I think did a lot of damage to a lot of people in this room here, and I can see the groans already.

But we finally got a number of people, and I won't mention who it was, to talk about readiness. And when they started actually saying that units were C3 and C4, not combat ready, it had an impact on me. As a former military, it had a lot of impact. Hey, you are sending troops off to combat, sailors, what have you, and they are not combat ready.

And I am looking at this [the placemat] and I am saying, if you marry this up with the OPLANS and the dependence upon for whatever reason, you might as well rip up the OPLANS or just put C4. It is not going to happen.

And I think we have got to be very, very candid in that, and the reason I am mentioning this, I think we would have a sense of urgency from Congress in terms of correcting this, because I don't think we can carry out those various OPLANS that these ships here are supposed to take care of. They are not going to show up.

You know, we got enough problems and we kind of beat up the Air Force and refuelers and that is another part. But this is really, really scary. And until I think we start applying readiness indicators and all these variables which I don't think we are being honest with ourselves.

And from somebody who, and these have heard it, I am just a dumb Marine who was a grunt, but I was also a logistician and I was also a Marine plans officer. And when you have so many of these plans, you got to be realistic because your job, Admiral, I don't know how you do it and General Lyons, I don't think we as Congress have done a good enough job of taking care of some of these deficiencies that you have had the courage to highlight.

And so what I would suggest is that whether we can apply readiness indicators to this situation, whether it is combined with lift in this case, the ROROs [roll-on/roll-off ships] and the ships and everything else with the OPLAN. Right now I have the feeling that every one of them is C4. Not combat ready to be able to sustain that OPLAN. Any comments on that? Sorry, I did all the talking.

General LYONS. Congressman, thanks, I appreciate your insights. It does create a challenge. We rely on a certain level of capacity to meet the OPLANs that you referenced and this is not where we need to be.

I would say a couple of things, though. I give a lot of credit for the United States Navy right now because they are diving into this in a big way. I think it is going to be a challenge though. I think to Admiral Buzby's point like the three-phased plan, right? The service life extensions are not returning the investment that we thought.

So it is a very old ship, it is a very old platform, this didn't happen overnight, it has been building for many, many years, and then you flip to the new build and you look at the investments that the Navy has in the out-years, it is very, very hard to compete a sealift new build that is 26 times as expensive as an acquired used solution.

And I would just encourage the committee to—because from my perspective, one of the things that is really going to be an obstacle for us is the hook for those five vessels in last year's bill is for the Navy to produce money in their program for a new build. I think it is going to be very, very difficult for them given the other combatant growth that they have got to contend with.

Mr. COURTNEY. Thank you, Congressman. Mr. Golden.

Mr. GOLDEN. Thank you very much. I just want to take a moment, sir, and say I am also just a dumb Marine grunt and never wanted to be anything but. Uh-huh. That is right. Well, yes, it is an honor to be here serving with you, sir, so thank you. Thank you for your Semper Fi.

Admiral Buzby, I wanted to talk a little bit about the mariners programs and the workforce. Being from Maine we have Maine Maritime Academy up there and I think Congresswoman Luria and others have already broached the subject, but I thought we could just dig further, beyond whether or not you think you have the capacity you need right now in terms of mariners to get this job done, what are your concerns beyond that down the road looking into the future? What does the shortage look like? And I know that you work with the maritime academies, I assume that you would like to see more people going in and Congressman Norcross said it looks like that is moving up, but I am sure it is not enough.

But are you working beyond the academies with let us say other institutions that are out there, in high schools or just a level above in fishing communities because I can tell you there is a lot of people out there grown up in fishing communities where the fishing opportunities are not as great as what they used to be. And so I am just curious, what are you doing or what can we do to help you?

Admiral BUZBY. You know, thank you for your question. Obviously our academies are our key source of injecting officer, licensed labor into our U.S. merchant marine. But to your point, we are working at additional levels, different avenues, vectors to get people into the merchant marine.

Last year Congress passed legislation that establishes domestic centers of maritime excellence. It is going to allow community colleges and technical colleges to be designated as maritime centers of excellence. Their programs, so we can use those as accession

sources to bring people not only into the deep-sea merchant marine but also into the Jones Act domestic merchant marine as well.

And we are working through the process of how we would qualify those institutions; we expect to have that out probably a little bit later this year on how to enroll those. To your point though, we are also working at the high school level. We are reaching out. I visited the New York Harbor School up in New York, the school in Baltimore, school in Philadelphia, school in Cleveland. There are lots of young folks that are interested in pursuing maritime careers, we are going to do our best to try and nurture them and bring them onboard.

Mr. GOLDEN. Thank you. I am glad to hear that, sir. You know, I am working with Congressman Don Young on a bill that has to do with establishing programs in high schools for young fishermen—

Admiral BUZBY. That is great.

Mr. GOLDEN [continuing]. And making sure that the interest stays peaked, because when they don't see the opportunities I think they start looking elsewhere for a career. So I would encourage you to keep looking into that. It's the Skippers Program up in Maine is the one—

Admiral BUZBY. Right.

Mr. GOLDEN [continuing]. And it's geared towards helping lobstermen and others. But I mean they are doing great things like building simulators so that the young 16-year-old men and women can learn how to steer ships. You know, these are lobster boats but maybe you can do something similar with merchant marine vessels as well.

Admiral BUZBY. Yes, sir. Thank you.

Mr. COURTNEY. Thank you, Mr. Golden. Mr. Byrne.

Mr. BYRNE. Thank you, Mr. Chairman. Gentlemen, thank you for being here today. I really appreciate, Ms. Luria, you bringing up the number of merchant marines we lost in World War II because Admiral Buzby, you remember last year we talked about my Uncle Jack was one of them.

Admiral BUZBY. Yes, sir.

Mr. BYRNE. And all hands on his ship went down when a German U-boat sank it. I do worry about the level of attrition that we could face if we got into a major conflict; you and I talked about that last year.

I do want to kind of get an update from you because we had a really good discussion about that. You know, earlier this week the President I think took a good move when he issued this new Executive order which makes it easier for our Active Duty sailors to more easily transition their maritime certifications to service in the merchant marines after they leave Active Duty and that is a good move on his part.

And we talked a lot last year about some of the things you were doing, you've talked about them today. But other than supporting the Maritime Security Program, the Jones Act, what specifically can Congress do to help you beef up the number of merchant marines we have got out there?

Admiral BUZBY. Thank you for that, sir. And I think the area where we can generate the fastest and the most increase in mer-

chant mariners is to give them more places to work. That means more ships under U.S. flag.

That is how we are going to get more merchant mariners quite frankly. A number will join but they have to have someplace to work. If there is no place, if there is not enough seagoing billets for them to participate, they are not going to come in. And we can have every program we want in the world, all good, and we will likely see some growth in the Jones Act fleet because we are increasing our maritime highways and that sort of thing.

But the unlimited licensed people that we need to man these sea-lift vessels, they have to have those unlimited seagoing jobs to work and advance in. You know, we bring in over a thousand people every year through the academies, the six State plus Kings Point, that come in to fill out the ranks of the merchant marine. They are not staying by and large beyond—they are not making a full career because there is not a full career in many cases for them to have, because of the 82 oceangoing ships that we have now plus the 99 Jones Act ships doesn't leave enough room for all of those people to continue to move forward.

And the rather onerous requirements that now are in place for licensing take up a lot of money and a lot of time. And as young men and women get to the 7- to 10-year point in their careers where they are getting ready to make that jump to the higher license levels, the more senior people that are going to be the chief engineers and captains, they are not seeing the upward mobility.

There is only so many places for them to go and if they don't see the growth, they are going to do other things. So getting more ships under U.S. flag is really kind of the key here.

Mr. BYRNE. Yes. Well you talked about the Jones Act last year, that sometimes is a point of controversy here in Congress. And sometimes I have to point out to my colleagues that what we are really talking about here is a matter of national security.

Admiral BUZBY. Absolutely.

Mr. BYRNE. If we don't have our own people to man our own vessels, we are relying upon people from other countries and vessels from other countries to take our troops, our equipment, our material, our supplies, to place us where we are in potentially major contest.

So I appreciate your giving us more of that and I hope you will continue to provide that to us because we are going to need that to continue to communicate to our colleagues the need that we have with regard to that. So thank you for that and continue to provide that information.

Admiral BUZBY. Thank you, sir.

Mr. BYRNE. General Lyons, what Representative Cook was talking about was we had a hearing last year with the Seapower and Force Projection Subcommittee with the Air Force about the tanker.

And this was before the tanker had been accepted and we registered with the Air Force all of us, bipartisan, a lot of concerns about where we were. We were assured by the Air Force that they would not accept that aircraft if it had unremediated substantial deficiencies. And what I am told is is that we did, that they made some changes, but they did not adequately remediate.

And so we have got an aircraft that is 2 years past its delivery date, it is not meeting its specifications in the contract, and now we have this new problem that things have been left in the aircraft on the part of the manufacturer. I know you are relying upon the Air Force, I understand that, you don't have a choice about that, you have to. But I am just making sure you hear from us what we told the Air Force last summer.

Now, we desperately need these tankers, I got that, and we have got to get them in. You need them very much and it bothers me that we have got airmen that are up there with these old aircraft. But I just want to make sure you heard from us the concerns that we had expressed to the Air Force last year and hope that would be reflected back. And I yield back.

Mr. COURTNEY. Thank you, Mr. Byrne. Mr. Kelly.

Mr. KELLY. Thank you Mr. Chairman. I was interested in Monday's op-ed in The Wall Street Journal by Mark Halperin, "America's Inadequate Military Sea and Air Lift."

It is a requirement that we be able to provide the logistics to get our forces to where they are. As a young platoon leader, company commander, battalion commander, brigade commander, we used to always have these great operational plans and they all started at the LD, the line of departure.

But you know what, you got to get to the LD before you can fight. So what I found over a long military career is if we didn't practice uncoiling from a tactical assembly area, if we didn't practice doing a tactical road march to the LD, what happened is, is we didn't have the right forces there when we hit LD. And guess what, the enemy has a vote and he is not going to wait on you to get your forces in line.

We have that same scenario planned out right now on a strategic level and that is with sea and airlift to get the right people in the right place in LD to fight the fight at the right time. So it is critical that we get this right.

And this is for Admiral Buzby, how many foreign-flagged vessels were contracted to transport fuel over the last 12 months and I will take percentages if you have that?

Admiral BUZBY. I will have to get back to you on that, I don't have that number right at my fingertips, sir.

[The information referred to can be found in the Appendix on page 78.]

Mr. KELLY. Estimates that I've received are in the neighborhood of two-thirds of the fuel transport contracts are going to foreign-flagged ships. That is concerning.

Admiral BUZBY. Yes, sir.

Mr. KELLY. If we have to fight today, we can't do that if we are relying on someone else to deliver us fuel and to a high-intensity environment; it has got to be U.S.-flagged ships. It's the law that U.S.-flag ships get priority for transport, is that correct?

Admiral BUZBY. That is correct. Yes, sir.

Mr. KELLY. Then why are foreign-flag ships getting the majority of fuel transport contracts?

Admiral BUZBY. I can answer that anecdotally. Military Sealift Command typically contracts with DLA [Defense Logistics Agency]

to move that cargo. The fact is, there are only six U.S.-flagged tankers trading internationally right now.

If they happen to be in the right position and in position to carry that cargo, then they will get it. Typically they however are not in position.

Mr. KELLY. Okay. Is there a system online that provides U.S. shipping industry with a future projection of what contracts will be open for bid 30, 60, 90 days out in the future so they can actually project and plan to have the right ships available at the right time?

Admiral BUZBY. I am not aware of one that goes out that far, sir.

Mr. KELLY. Would that be a pretty good idea?

Admiral BUZBY. That would certainly help U.S.-flag carriers to plan, Yes, sir.

Mr. KELLY. You know, and I can tell you from dealing with Strategic Air Command and C-17s and KC-135 and KC-46s, there is a lot of fleet management that goes on and you guys do fleet management.

And so when you give those contracts to someone [inaudible] and cut out Guard and Reserve or you cut out our maritimers, they can't maintain their ships because consistency of contracts and knowing that there is going to be contracts allows—and I can guarantee you, if they know what they are planning for, that this chart changes because if they know they are going to have the shipments, they are going to have a crew and they are going to have the ship ready to do.

But if they don't know and they don't have any consistency then there is no need to get a ship ready that may or may not sail. So I will tell you, I think the fleet management is critical and we have to make sure that we are using the right sources whether that be our peacetime maritimers, our U.S.-flag ships, or whether we are talking about our Guard and Reserve C-17s and KC-135s and KC-46s, because if we don't do that we lose.

And I don't think there is really a response I need on that but next, General Lyons, we have all heard about TRANSCOM's plan to privatize DOD transportation of household goods. And we have all seen recently what blind outsourcing has done to the military housing industry.

And so what studies or what reports or what things do you have in place to ensure that we take care of it, because first and foremost we owe our soldiers, sailors, airmen, and Marines the ability to move their goods without waiting on that. What have you got in place to make sure that we don't take advantage of those guys?

General LYONS. Well, Congressman, to be clear, there is no plan to privatize. Everything we do, every task in the household goods industry is done by industry. It's just that the relationship with industry is about 950 transportation service providers to one. And each sort of—

Mr. KELLY. Just real quick, I only have 10 seconds and you don't have time to answer this. But I am curious about how the same companies that you already use and adding another layer of process is going to improve it.

So if you can answer that one for the record and I know you can't because my time is expired, but thank you General Lyons.

[The information referred to can be found in the Appendix on page 78.]

Mr. COURTNEY. Thank you, Mr. Kelly. Mr. Bergman.

Mr. BERGMAN. Thank you, Mr. Chairman. And thanks to both of you for being here. You know, if you can't get to the fight, you can't fight as you have heard several people say.

And Admiral Buzby, you made the comment that pace of repair is outpacing the pace of SLEP [service life extension program]. Would you just elaborate on that just a little bit more so I understand exactly what you meant, please?

Admiral BUZBY. Sure. Thank you, sir. So we provide estimates to the Navy on what repairs we need to do on our ships on an annual basis, dry-dockings that are required by the Coast Guard, other scheduled maintenance that must occur.

In the midst of that, we also factor in planned upgrades to do those service life extensions, things that we want to do. So we get a budget, a chunk of money to kind of do that. As we go through and inspect our ships or our Coast Guard inspectors come aboard, we are discovering that there is a lot deeper level of repair that is required.

And when we put those ships into dry dock, we are finding, dig into tanks, and dig into areas you don't typically get to, but we are all—

Mr. BERGMAN. Okay. You got to the level that I needed to make sure I understood. So when we think about what Congress is going to do, like it always does, it listens and it tries to provide the appropriate amounts of money that can be effectively utilized to get the readiness capabilities that we know we need.

Is there—DOD among others, they don't happen to have the corner on this market, but because of my experience in DOD, I have seen enough of that where we spend—continue to spend valuable limited resources on legacy systems or in this case old ships and we had a dollar and then there is another dollar and we don't have a plan to find enough to do that transition to next gen [generation] or new ships.

It is kind of like I drive a fleet of old cars and I promised my wife I wouldn't put any more money into one of my oldest favorite trucks, but you know, I love it. But the point is, there will be a time where it moves on. Can you through TRANSCOM, through whatever program, can you provide us a transition better from when it is time to stop putting money into a ship, as soon as you find something and just say, no, we are going to stop this and then move forward with a new ship or some other solution rather than throwing good money after bad? Is that an ask too big over a period of time here?

Admiral BUZBY. We work with the Navy all the time, sir, on trying to find out where that knee of the curve is. And a lot of the things have to factor in the—

Mr. BERGMAN. And have we made any progress? I mean, have we gotten any better at it over the last 5 or 10 years?

Admiral BUZBY. I would like to think so.

Mr. BERGMAN. Okay. Well, when you think about the CRAF, the Civil Reserve Air Fleet, it is fairly well-defined. We know what as-

sets are out there. We need in a rush to grab that. That is by contract.

And I would suggest to you somehow whether it is building other ships, whether it is having contracts that we have already talked about here with other carriers, that some derivative event will help us plan for you to provide us the assets that the military needs to prosecute the fight.

And also what I heard was—said was if we have more ships under U.S. flags, we will have more jobs. We will have more jobs, we will have more career level jobs for the six maritime academies as they exist now, plus Kings Point—

Admiral BUZBY. So—

Mr. BERGMAN [continuing]. To bring the young men and women into a vital field that is spectacular. In fact, in Traverse City, Michigan, the maritime academy there, I just went a couple of weeks ago. And they are motivated. These young men and women are so excited. So with that, thank you for what you do.

And Mr. Chairman, I yield the rest of my time.

Mr. COURTNEY. Thank you, Mr. Bergman. Mr. Gallagher.

Mr. GALLAGHER. Just one quick question. We clearly have a sealift problem, both a people problem and a hull problem. How do you assess the potential for autonomous ships like *Sea Hunter* to help us solve that problem?

Admiral BUZBY. I would say the place that that will be able to help us soonest in what at least what I am thinking about is in terms of assisting our sealift ships to get to their destinations in a contested environment.

We probably are not going to have enough naval vessels to provide escorts for all the sealift ships; try as they might, they are going to be busy doing a lot of things, the amount of ships that we were going to have to be transiting through. So having autonomous vessels that can help with the defense or escort of some of our ships, I think has real near-term applicability.

In terms of how soon we are going to see the big ships themselves autonomously going across the ocean, I don't think that is going to happen in the real near term. I think if anything it will be phased over time. There are a lot of obstacles yet to be dealt with before we get there, the least of which is just the security of—the cybersecurity of operating such a vessel. The position finding, how we are going to conduct that vessel across the ocean in a way that its position finding won't be interrupted or corrupted and taking that ship off course.

There are all sorts of concerns that go along with an autonomous sort of vessel not to mention just the labor aspects.

Mr. GALLAGHER. I appreciate it. That is all I have, Mr. Chairman. So for a HASC [House Armed Services Committee] first, I am yielding back more time that I have consumed.

Mr. COURTNEY. It is duly noted. Ms. Hartzler.

Mrs. HARTZLER. Thank you, Mr. Chairman. I have three questions for you. One dealing with the ships and the other with KC-135 and one about logistics. I hope we can talk fast here.

But starting with you General—or Admiral Buzby. In trying to sort through my notes here and if you could clarify where we are

at in getting so that we can replace all of these ships that have issues.

So from fiscal year 2018, looks like we have authorized and funded one new ship, the National Security Multi-Mission Vessel, and then we also that year allowed procurement of two foreign-built ships.

And then fiscal 2019, looks like a second ship was authorized and funded, a National Security Multi-Mission Vessel. And then we also gave the Navy five additional used ships authority and then two new ships for the Ready Reserve that are going to be delivered in 2026.

So I am just trying—do we have a plan to keep moving forward? How many ships do we need a year? What is the combination of new versus used versus I know that the Secretary of the Navy had a three-phased program of service life extension. General Lyons, you mentioned that a little bit and how they are having difficulty with that.

It goes back to the question of General Bergman. When do we scrap that idea and say this isn't worth the money, we need to be investing in more used. It sounds like General Lyons from your comments earlier, you think we get more bang for the buck from getting the foreign-built ships versus building them here.

So what mix, do we have a grand plan where you are asking for so many foreign-built, so many used, so many brand new, and at what point will we be able to say we have replaced all these X's?

General LYONS. Ma'am, we do. We do have a plan. The Navy has a plan and they've presented that, a combination as you mentioned: service life extension, used acquired. And the authorization bill gave five additional, but that is also hooked to a new build.

And that is really fundamentally, I think, the sticking point is the affordability of a new build. The plan is based on the waterfall chart that ages these out in about 2024 to 2026 timeframe. The placemat in front of you just depicts a readiness problem today, immediately.

And so, what I would like to see is I would like to accelerate the acquired used strategy and that could be at the expense of new build. I think the Navy has got some other bills they have got to pay.

Mrs. HARTZLER. So do you say 2024, 2026, when you think will be all replaced, all of them?

General LYONS. Ma'am, I am not optimistic on that. I am just describing. That is when you get the big age-out. We have got to put some actual dollars into this and start delivering, I believe.

Mrs. HARTZLER. But the Navy plan, what does it have that—when where we will have these all replaced? What year?

General LYONS. Well, in the program, the money that is there today is for the first two acquired used in 2021 and 2022. And then we have got to really work through the issues because we have got some fundamental issues financially to figure out how they are going to pay the bill—

Admiral BUZBY. Ma'am, if I could just jump in. The Navy is doing a business case analysis right now on the right mix and timing, but I think at the most optimistic estimate, this is like a 25-

to 30-year program to get this entire fleet turned over under kind of current funding levels and current path.

Mrs. HARTZLER. So I looked forward to maybe the plan is already there but it seemed—maybe some options that you would have for us in Congress where you show us option A, we have this combination of new versus used whatever option it will be. And then it will be up to us to decide how we spend the money and what we decide that combination should be. But I agree with you, we need to accelerate this as soon as possible.

So moving on to the KC-135s, and with our peer—contested environment reality that we may have with the great power competition, what type of modernization do you see that we need with the KC-135 force structure?

General LYONS. Ma'am, I think you realize the average age of that plane is about 57 years old and it is going to be in the fleet probably for another 20 years. And so the Air Force is investing more money to improve the readiness of the fleet. And then with the delay of the KC-46, they are also working perhaps to delay some of the currently planned retirements at least to retain some level of capability for the combatant command. And the rest of the details I will really defer to the service on that.

Mrs. HARTZLER. Okay. Since I only have 23 seconds, I just would like to ask for the record just a concern with this logistics move going to one agency as well. It sounds like you are going to let that, draft the proposal next week for that.

But if you could let me know how would a new sole source contractor specifically improve on areas where data shows needed improvement? And secondly, how will a sole source contracting model create more capacity—trucks, warehouses, labor—when a contractor would have to rely on the same underlying network.

So thank you very much. I yield back.

[The information referred to can be found in the Appendix on page 77.]

Mr. COURTNEY. Thank you, Ms. Hartzler.

So it's now back to myself, and Mr. Wittman just—and then we will have the first pass through completed. And I will just have a couple of questions here and then yield to Rob.

Admiral Buzby, as you note in your testimony, the Maritime Security Program is critical to maintaining a surge sealift capacity with U.S.-flag, U.S.-crewed vessels. We have heard from participating carriers that long-term advance reauthorization of this program is important because they have to make investment decisions which stretch out further than 2025.

Admiral BUZBY. Right.

Mr. COURTNEY. And I guess there is also a reimbursement issue in 2022 that I think is also creating concerns. So, I guess, for the record, can you state whether you would support a long-term reauthorization of the Maritime Security Program as sort of a to-do item for the subcommittee this year?

Admiral BUZBY. I think it would be to the program's benefit and to all of our benefit to get that under our belt, to get that reauthorization completed and moved on. We have to make sure that with my compatriot here from TRANSCOM that the tenets of the pro-

gram remain firm and that we're delivering the capability that he needs.

So I think with that caveat, I think it is important that we could go ahead and move forward with that.

Mr. COURTNEY. General Lyons, do you have any comment?

General LYONS. Chairman, I agree. I agree with Admiral Buzby on it.

Mr. COURTNEY. Again, Admiral Buzby, in your testimony, you sort of alluded to the fact that you are going to be pursuing a "construction manager" approach for the National Security Multi-Mission Vessel Program.

Can you kind of put on the record and explain to us how this approach is different than the way the government usually procures ships and what advantages it has?

Admiral BUZBY. Sure, Mr. Chairman, happy to. So this was directed by Congress that we procure these National Security Multi-Mission Vessels using this method. And we are using as you point out a vessel construction manager. A vessel construction manager, and we are actually evaluating prior to an award right now, is going to be a U.S.-flag Jones Act U.S. carrier, a company, who has recently built a ship in the United States, which there are several companies that have done that, recapitalized their Jones Act ships.

So we are going to call upon their expertise in procuring commercial vessels, which the NSMV essentially is, to go out and contract with a U.S. shipyard to procure this vessel using commercial means.

And we believe that we will be able to see substantial savings in both time and schedule to get this ship delivered, best value to the government.

Mr. COURTNEY. Great. So, again, is this an approach that you would recommend Congress to explore for other auxiliary vessel programs?

Admiral BUZBY. I think it has great promise. I think there is a lot to be learned. You should watch us as we execute this over the next year or two to see if it pans out the way we think it will. But I think assuming that we do our jobs correctly that it has great promise to be applied to other shipbuilding programs as well.

Mr. COURTNEY. Well, and it seems like the message here today is time is the enemy. So we have got to sort of find every efficiency and way to accelerate that we possibly can.

Admiral BUZBY. Sure.

Mr. COURTNEY. So thank you. Mr. Wittman.

Mr. WITTMAN. Thank you, Mr. Chairman. I want to thank our witnesses for being here with us today.

General Lyons and Admiral Buzby, I wanted to drill down a little bit more on this three-tiered strategy that the Navy has. One is to do service life extensions on existing ships. And see from the placemat here that there are challenges with that, especially the age of the ships and the extent to which they need to be maintained or modernized or service life extended.

And the other part of that is to buy used ships and the other part is to build new ships. The bookends of that strategy is, one, that there is a lot of resources that have to be expended to put into

bringing up to maintenance standard and certification these old ships and that is what they are, old ships.

The other bookend is there is not capacity in the industry today to build those sealift ships as we speak. So where we find ourselves is the number of ships that we build or excuse me, that we buy used. Give me the perspective on the cost associated with bringing up to certification the ships here on this chart that you provided to us versus expending dollars to buy used ships.

Give us the economics of cost associated with the maintenance and upgrades of existing ships versus buying used ships.

Admiral BUZBY. I will go ahead and give the first shot on that, sir. Old ships that get older, no matter how much you fix them, they are going to continue to age, other parts of them that you have not touched yet are going to have issues.

And the costs to do that maintenance just rises exponentially. There's just no getting away—around it, steel just continues to rot away. So, again, some of these that have very special capabilities that we need to keep around as long as we can, as long as they are in reasonable shape and continue to put money into them, we will.

We are going to obviously be working very closely with the Navy. And there will be a point, there will be a knee in the curve where it just makes no more sense to dump any more money into them no matter how special those ships may be.

Now, the replacement vessels that we are looking at bringing into this fleet are a decade or two younger than the ships they are going to be replacing. And presumably if they are in good enough shape coming in, their maintenance costs are going to be much less and the reliability will be much higher and their equipment will be much more modern.

So, again, the business case that is underway right now by the Navy is looking at kind of where those knees in the curves are. We are giving them a lot of data to work with actual conditions, so we can make smart decisions here.

But we need to get on with it. These ships are not getting any younger as we have all noted. And they are just getting more expensive.

Mr. WITTMAN. Yes. Very good.

General Lyons, any perspective on that?

General LYONS. Sure. The only thing I would say and the Navy to Admiral's point is working this very—right now and what I would say is the service life extension, and I don't want to get ahead of the Navy on this, but a couple of examples I have looked at is probably about three times as expensive as it was budgeted, probably twice the period of time.

And they are not coming out of the shipyard with certificates of inspection. So in the near-term strategy, it is not delivering readiness. Used ships vary \$25 million maybe to \$60 million, depends on the age. And a new ship is 26 times that.

Mr. WITTMAN. It seems like to me that it makes sense and I know the Navy is doing their analysis, but it makes sense to not put lots of money into old ships that right around the corner are going to have more and more severe problems in order to keep them at sea.

So it does seem like we need to really accelerate the purchase of these used ships. I appreciate your perspective.

General LYONS, I did want to get a quick perspective on you looking at the OSD CAPE study versus the number of tankers that they say we need, which is a static number and the assessment by the Air Force of their “the Air Force we need” perspective that says we need a lot higher number of tankers going in the future.

I want to get your perspective on where you believe the right place is as far as the number of tankers in the future to perform this refueling mission.

General LYONS. Sir, as you know the 2018 authorization directed the Department in concert with TRANSCOM to conduct a study on the sufficiency of mobility enterprise against our war plans. We did conduct that.

We assessed the level of sufficiency. We did assess increased risk, significant risk in the area of refuel portfolio. And we also acknowledged that the work we did was largely inside the program, so it was with the current existing planning set.

But as we worked that, we also understand that the Joint Staff is working updates on integrated—global integrated planning construct and the Department is working updates on defense planning scenarios. So we will have to evolve the study as those plans and demand signals evolve.

Mr. WITTMAN. Let me ask this, the relativeness of terms here I think is important. When you talk about significant risk, that’s nomenclature that if you talk to folks outside they go, well, what’s significant risk? I want from your perspective and the official designation of that term, is significant risk acceptable risk?

General LYONS. No, sir. The Department typically invests to moderate risk. Significant risk could be above that level.

Mr. WITTMAN. So you would say that in those situations the place where we find ourselves with tanking capability is beyond the point of where we should be comfortable with that or where we should say that is acceptable risk.

General LYONS. Yes. That is correct, sir.

Mr. WITTMAN. Okay. Thank you.

Mr. Chairman, thank you so much. I yield back.

Mr. COURTNEY. Thank you. Mr. Garamendi, a second round.

Mr. GARAMENDI. Thank you. Very, very quickly the placemat is very, very helpful. There is a second line here and that is there may be a specialty ship that isn’t on this mat or maybe is on this mat that is desperately needed and that may be a ship that has to be built because there is no other used ship out there. I would like you to take that analysis and get back to us on that.

[The information referred to can be found in the Appendix on page 77.]

Mr. GARAMENDI. Mr. Kelly brought up the issue of the movement of personal goods. And General Lyons, we discussed this yesterday and I would appreciate if for the record you would provide us with a detailed justification for the change that you are proposing. I understand it is soon to be underway.

If you could very quickly, not the whole justification, I suspect that to be a significant document. But just the timing, where we

are, and finally or also, an assurance that current contractors and new contractors might be able—would be able to participate.

General LYONS. Sir, absolutely, I appreciate the question. This is a topic that I have received more letters from Congress than any other topic in my combatant command responsibilities. The fundamental issues at stake here really are sufficiency during the peak and accountability.

This is not entirely an industry issue. The Department and the way we run this program is part of the issue, frankly, a large part of the issue. And that is really what is driving our effort to restructure.

I have been meeting with CEOs [chief executive officers]. I have got a meeting next week to meet with industry reps and their chief executives. We are wide open on how to shape this relationship. But today, if you were to look at the way we manage this program in the Department, completely diffused, completely decentralized, every service is running their own thing.

There is just no enterprise approach. A carrier can be suspended over here, working over here. And so we are not doing due diligence for military families. And at the end of the day, that is really what this is all about is to deliver better curbside service.

And the idea about moving into a single move manager really is a longer term relationship than one transaction at a time so that we incentivize the level of investment in the industry and allow industry to run industry, because right now we are over-engineering the process.

And it is excluding carriers that want to participate but won't because we are too hard to work with.

Mr. GARAMENDI. You have received letters, so have we, and they are coming into my office and our offices also, so the justification and the explanation would be very much appreciated.

[The information referred to can be found in the Appendix on page 77.]

Mr. GARAMENDI. Finally, there is very few of us left here but almost every member has expressed concern about the ability of American shipyards to produce ships. There is a program that is underway. It is called the Energizing the American Shipbuilding Industry.

The leadership of this committee on, all of us were in on last year's bill. It will soon be reintroduced and that could lead to some 50 ships, LNG as well as tankers, being built in American shipyards with the jobs thereof.

With that I yield back.

Mr. COURTNEY. Thank you.

Mr. Lamborn to be followed by Mr. Kim.

Mr. LAMBORN. Thank you.

And General Lyons, we visited earlier. We didn't talk about prepositioning. But I would like to ask your philosophy on that. And if you have any goals of improvements or changes that you want to make going forward to make that an even better approach to our logistics.

General LYONS. Okay. I am back. Sir, I apologize. Prepositioning is an important part of the strategy to be able to project power. The

services largely run that program in terms of how they want to preposition capability whether it is ashore or afloat.

And then a portion of the surge sealift fleet run by Military Sealift Command has allocated to that, for example, 15 ROROs. And those ships once discharged would come back to TRANSCOM for follow-on movements.

So it is a very important part of being able to produce the level of agility to be able to come at a problem set in multiple ways.

Mr. LAMBORN. Are there changes or improvements that could or should be made in our approach to prepositioning?

General LYONS. Sir, each of the services have made improvements over the last couple of years. As a matter of fact this committee with the EDI [European Deterrence Initiative] for Europe has enabled a lot of that, particularly for the United States Army in Europe.

But the other services like the Air Force have improved their positions and their posture in munitions and other areas like that. So they continually assess that.

Mr. LAMBORN. All right. That is all I need, Mr. Chairman. Thank you.

Mr. COURTNEY. Thank you, Mr. Lamborn.

Mr. Kim.

Mr. KIM. I will keep this brief just for the sake of time, but I did want to raise it up. One of my colleagues, Congressman Norcross, raised a lot of this earlier. Certainly, my district in New Jersey, the Jersey Third Congressional, is deeply affected by McGuire-Dix-Lakehurst Air Force Base and joint base.

I wanted to just follow up here, I mean, just really stress that the corrective action plan is certainly something that I am very interested in and want to make sure that we are following up on in a timely manner to be able to understand what is happening with the KC-46 and be able to move forward in that way.

So I just wanted to take this time to be able to alert in that way and just get a sense from my own sense of what these next steps are and when we can expect that kind of timeline going forward.

General LYONS. No. Yes, sir. Fair enough and I am very interested in that myself. The Air Force is working on this. I think they have got a good plan. They are working with Boeing on the corrective action plan if you are talking about the near-term issue and that will be a decision, really, by the Air Force acquisition executive whether to proceed with acceptance of the—continued acceptance, restart the acceptance of the KC-46.

Mr. KIM. Okay. Great. Well, look, this is a critical element of our joint base and what we are trying to get done. We are deeply concerned about anything that could affect the overall timeline of when they will be delivered to our joint base.

So I just want to make sure that we are tied up in sync on this both in terms of the short-term as well as mid- to long-term effects on that. Thank you.

I yield back my time.

Mr. COURTNEY. Thank you. And, Mr. Kim, it is very likely—possible that the Seapower and Projection Forces may be doing a follow-up with the Air Force again, because obviously that is sort of where the center of gravity is right now.

And we will certainly keep your office informed, so, yes. Thank you. With that I think we are—oh, sorry. Mr. Wittman.

Mr. WITTMAN. Just very quick. I want to circle back around with General Lyons, looking again at airlift. The National Defense Strategy as you know emphasizes great power competition. It is our understanding when the President's budget comes out next week, it will also dovetail with resourcing the necessary capability for great power competition.

One of those areas we talked about constantly is tanking. We see the KC-46A deliveries. We see some shortfalls with the capability of that aircraft under certain situations and with that we see the KC-135 is going to have to perform the tanking mission well into the foreseeable future.

Give us your perspective on service life extensions on that aircraft, because we are going to continue to need it. It is an older aircraft that has been through a number of service life extensions, but give us your perspective on what we need to do to make sure we have the fleet necessary and, of course, the number is 479.

We are not any near 479, which means we may need to keep some of these aircraft that had been planned to be retired like the KC-10, KC-135, for extended periods of time. If you are going to do that, that aircraft has to be capable. So give me your perspective on what we need to do with the KC-135 fleet.

General LYONS. Sir, I just—for the Air Force, I was recently down at Tinker, the air logistics center where they refurbish the KC-135 and it is absolutely impressive what the Air Force is doing with that model of airplane that has been around for nearly 60 years.

And they will continue to figure out how to fly that for probably 20 more years. Again, as I mentioned earlier, Air Force is looking at this across all their weapons systems and from my perspective it is about capability over time.

And you alluded to sufficiency. We are short against the objective and we are kind of thinking that could actually grow as you mentioned. And so the two major initiatives are to bring on the KC-46 and then to maintain the life expectancy on the KC-135 as you mentioned. And that is where the Air Force is pushing right now.

Mr. WITTMAN. Thank you, Mr. Chairman. I yield back.

Mr. COURTNEY. Thank you.

So this hearing seems to be having its own service life extensions. We have been joined by another member, and a good member, Mr. Cisneros from California.

Mr. CISNEROS. Thank you, Mr. Chairman.

General Lyons and Admiral Buzby, thank you for being here today. Sorry I am late, but I was at another committee hearing regarding veterans. So actually I like your chart that you have here. I actually spent time on three of those MSC roll-on/roll-off ships—the *Obregon*, the *Kocak*, and the *Pless*. I was actually stationed at MPS One [Maritime Prepositioning Ship Squadron One] when it was still active.

I will keep it brief because like you said, this is—we don't want to extend this anymore than it has to be but I am interested in the MARAD ships and really the activation time. They just sit there kind of collecting dust and I know there are some people on there,

kind of maintenance there that does PMS [Planned Maintenance System], but how long is it actually—does it take to get one of those ships active, up and running?

Admiral BUZBY. Sir, they are required 96 hours to be ready to be underway. And we exercise that annually, on a fairly regular basis, not the entire fleet, but General Lyons activates us, gives us no notice, starts the stopwatch, and it is a dead stop to go, to be ready to go.

And it is graded. So we have pretty good confidence that these ships can do it, can do it reliably. I would just point out that I have four of my ships currently underway right now doing missions.

And they have had no casualties whatsoever. They started on time. They went out, and they have done their missions flawlessly. So 4 days to be underway, and they have to be ready to report on the fifth day.

Mr. CISNEROS. Now, with the shortage of merchant marines out there that—are you finding it difficult to—on 96 hours really to staff a whole ship?

Admiral BUZBY. So far we have done extremely well. We actually do an annual exercise, which we just finished up to kind of do a paperwork drill to make sure that we can actually source bodies, we work very closely with the unions on that.

This past September, we did a kind of mass activation of 13 of these ships all at once. And we had no problem manning them up. So the shortfalls that we talk about are typically we would see 4 to 6 months down the road if we activated all of them.

We typically have enough people. We may have a spot shortage here or there for a specific skill set, particularly on the steam ships because we are—that is the shortest skill set. But by and large manning on these smaller scales is not an issue right now.

Mr. CISNEROS. All right. And then when you activate these ships you said you have four active right now.

Admiral BUZBY. Yes, sir.

Mr. CISNEROS. Are we rotating those ships to make sure it is not just the same ships that are always activated.

Admiral BUZBY. Absolutely. It is really by mission. What the requirement is for that particular mission because these ships have different square footages, they have different deck strength and deck height. So it is what is required by the mission.

But we typically don't go to the same ship coastwise; we do mix it up. And it is by coast where it is required.

Mr. CISNEROS. All right. And what is the—I know some of the ships are reaching their age limit as they are—well, like you said they are extending their life. And I am sure you probably answered this question already. But how long is it actually going to take us to really, to replace all these ships?

Admiral BUZBY. Right. The current Navy plan goes out about 25 to 30 years before we have a full replacement of this fleet. That is through a combination of service life extensions out to age 60, through replacement with newer used ships, and through new construction ships.

Mr. CISNEROS. And the steam ships are first on the list?

Admiral BUZBY. Steam ships are going to be right up there except for there are a few that are special mission type ships that

may require them to stick around a little while longer until we can get the proper replacement for them.

But they certainly are going to be a priority just because of the manning that goes along with them.

Mr. CISNEROS. All right. Well, thank you for being here today.

And Mr. Chairman, I yield back my time.

Mr. COURTNEY. Thank you, Mr. Cisneros.

I think we have done it, and I want to really thank both witnesses for your patience and thorough answers, although I am sure there will be some follow-up. And, again, we are definitely interested with the mark this year in both subcommittees, I am sure, in terms of trying to do everything we can to help achieve the goal here.

So, again, just for the record, I would ask for unanimous consent that General Lyons' chart be made part of the record.

Mr. GARAMENDI. Can we also put these charts——

Mr. COURTNEY. And we have, I guess, additional charts. Okay.

Mr. GARAMENDI. But if I might also for the record add charts that MARAD has passed around for some time. This is a more complete display of all of the ships that are in the Ready Reserve Fleet as well as those that are on the Maritime——

Admiral BUZBY. Security Program.

Mr. GARAMENDI [continuing]. Security Program. Thank you.

Mr. COURTNEY. All right. Any objections? Hearing none, we will have those entered in the record.

[The charts referred to can be found in the Appendix on pages 72 and 73.]

Again, thank you to both witnesses, and I hereby order this hearing closed.

[Whereupon, at 3:47 p.m., the subcommittees were adjourned.]

A P P E N D I X

MARCH 7, 2019

PREPARED STATEMENTS SUBMITTED FOR THE RECORD

MARCH 7, 2019

Opening Remarks
Chairman Joe Courtney,
Subcommittee on Seapower and Projection Forces
“U.S. Transportation Command and Maritime Administration:
State of the Mobility Enterprise”
7 March 2019

Good afternoon. The combined Seapower and Projections Forces Subcommittee and Readiness Subcommittee meet today to hear from the United States Transportation Command and the Maritime Administration on the state of the military’s ability to move our forces in peacetime and times of potential conflict. For the new members, the two subcommittees hold this joint hearing each year to receive testimony on the posture of USTRANSCOM and to oversee aspects of MARAD’s mission which fall under the jurisdiction of the House Armed Services Committee rather than the Transportation and Infrastructure Committee.

This year comes at an important moment for several of major mobility programs. The Department of Defense recently completed a new Mobility Capabilities and Requirements Study (MCRS-18), as directed by Congress in 2017. Members of the Seapower Subcommittee have had the opportunity to review the strengths and significant weaknesses in that report as it guides future investment in our mobility forces. In addition, the Air Force has now accepted its first new tanker aircraft, but technical deficiencies and other issues continue to plague the program as our existing tankers advance toward near senior-citizen status. On the sealift side, we continue to face the challenge of recapitalizing an aging Ready Reserve Force as well as training ships for our State Maritime Academies.

Unfortunately, due the delayed budget submission this year, we do not have the benefit of reviewing specific proposals and funding levels with our witnesses today. However, I would remind our members that these two subcommittees have exercised independent judgment outside of the Administration’s budget proposals in the last two years in order to address these persistent obstacles for the goal of a high-functioning mobility enterprise.

For example, last year the Administration proposed cutting the Maritime Security Program by nearly 30%. The Maritime Security Program is a vital component of our military strategic sealift and global response capability. MSP is designed to ensure that the United States has the U.S.-flag commercial sealift capability and trained U.S. citizen merchant mariners available in times of war or national emergencies. And it is good value for money, providing a fleet of sixty cargo vessels for less than a third of the cost of just one Arleigh Burke class destroyer. The Seapower Subcommittee rejected the proposed cut in the FY19 NDAA and the FY19 THUD appropriations bill also maintained the authorized level of funding.

The Administration also proposed insufficient funding for the National Security Multi-Mission Vessel program, which provides training vessels for use by the state maritime academies to prepare cadets for a career in the merchant marine industry while also standing ready to perform critical disaster response missions. It also proposed procuring used vessels for the NSMV program rather than building new vessels in US shipyards. This subcommittee rejected both proposals, authorizing sufficient funds for the procurement of one NSMV and including language restricting MARAD from procuring used vessels for the program.

Due to the imminent retirements of certain Ready Reserve Force vessels, the Administration initially proposed to recapitalize the RRF based on a strategy heavily reliant on foreign-built vessels. The Seapower Subcommittee rejected that proposal and required in law that TRANSCOM provide a plan to procure new sealift vessels built at shipyards in the United States. While I commend the Navy for exploring options to use a single hull form to replace multiple sealift missions, I believe that strategy will prove unaffordable. I think a more practical solution would be to take a proven mature design from the commercial market and begin building that in U.S. shipyards. This would not only be a quicker way to recap our sealift force but it would also have great benefits to our shipbuilding industrial base. I would be interested in hearing your opinions on that strategy.

Winston Churchill once stated “Victory is the beautiful, bright colored flower. Transport is the stem without which it could never have blossomed.” I hope that the hearing today will be beneficial to the members and to the public as we review the importance and readiness of our logistics forces and their central role to the success of our armed forces in conflict.

With that, I will yield to Ranking Member Wittman for any opening remarks.

**Opening Remarks of the Honorable Robert J. Wittman
for the
Joint Readiness and Seapower and Projection Forces Hearing on
U.S. Transportation Command and Maritime Administration:
State of the Mobility Enterprise
March 7, 2019**

I thank the gentleman for yielding and want to thank my Readiness colleagues for this joint hearing. I think this venue is particularly important to ensure Congress is focusing on critical and sometimes unheralded national security concerns. Additionally, I want to thank General Lyons and Admiral Buzby for testifying on the state of our mobility forces.

Since reviewing this portfolio last year, one thing is certain: Our aged Ready Reserve Force of 46 ships, which averaged 43 years old a year ago, now averages 44 years old. With no recapitalization in place and only a distant hope that Navy will find this a priority, I continue to be perplexed how the Army and the Marine Corps expects to get to the future battlefield on these aged ships. Last year, the Navy proposed a three-tiered strategy of extending the service life of the existing force, procuring used vessels, and preparing a new construction strategy. Unfortunately, each of these three tiers has failed to deliver. And, on top of this, our logistics forces have continued to atrophy. Congress has done what needs to be done on this effort and authorized the procurement of seven used vessels to begin replacing the Ready Reserve Force—we’ve done the work on our end. Now, Navy needs only to lift their fingers and sign a contract to begin and procure these readily available vessels. I hope that we can begin to better address this deficient issue in fiscal year 2020. On a positive note, I am pleased to understand that General Lyons has also recognized this critical shortfall and has identified the surge sealift force as his number one readiness concern.

As for our aerial refueling forces, the Director of Cost Assessment and Program Evaluation, also known as OSD (CAPE), authored a recent assessment of the overall refueling forces force structure. In this assessment, OSD CAPE opined that the refueling force structure requirements today were the same as was previously identified in a 2013 mobility study. This is in sharp contrast to Secretary Wilson’s force structure vision where aerial refueling forces represented one of the biggest shortfalls in her “Air Force We Need” proposal. Under the Secretary of the Air Force’s plan, aerial refueling would have seen significant growth, increasing from 40 to 54 squadrons. I look forward to better understanding the aerial refueling force structure challenges General Lyons identified as his second most important readiness concern.

Finally, I continue to be concerned about the modernization of our mobility forces and their ability to operate in a contested environment. While sensor nodes and defensive countermeasures exist in a multitude of our mobility platforms, I think that we need to significantly improve organic capabilities to ensure deep

penetrating capabilities in a contested environment. I think that this concern is particularly acute with our tanker force structure. I look forward to better understanding how TRANSCOM expects to best posture their forces and their modernization plan to ensure mobility success in a contested environment.

As I reflect on the state our mobility forces, I think that we have made great strides in our logistics and we constantly measure our success based on the mobilization that occurred during Desert Storm. I am reminded of Lt. Gen. Fredrick Franks, 7th Corps Commander, then responsible for our Desert Storm forces "left hook". In response to questions about his concerns during this operation, he indicated that if you "Forget logistics, you lose." My fear is that we have allowed our logistics forces to become a seam issue and our ability to project forces in a contested environment is becoming increasingly compromised. I look forward to pursuing options that we might begin to change our mobility forces so that we might become more agile and lethal when addressing our most challenging war fighting scenarios.

I thank the Chairman for organizing this important hearing and I yield the balance of my time.

Statement of the Honorable John Garamendi
Chairman, Readiness Subcommittee
“U.S. Transportation Command and Maritime Administration:
State of the Mobility Enterprise”
March 7, 2019

Thank you, Mr. Chairman and Ranking Member Wittman. I greatly appreciate the continued collaboration between our subcommittees on the vital issues we will address in this hearing.

And thank you, General Lyons and Admiral Buzby, for appearing before us today.

I look forward to discussing how TRANSCOM and MARAD are poised to meet the mobility and logistical demands of a major contingency. Those who are new to these issues may be surprised by the degree to which this enterprise requires significant collaboration within and outside the Department of Defense, particularly with the commercial sector. I am eager to learn more about how TRANSCOM and MARAD are navigating their key relationships with the military departments and the industrial base.

Moreover, General Lyons and Admiral Buzby, I encourage a frank discussion of the challenges of resourcing the mobility enterprise – a crucial, but too often overlooked, pillar of our preparedness for war. Our ability to take the fight to the enemy is predicated on the proper functioning of the aircraft and vessels needed to move our troops overseas. And yet, I am concerned that the Services continue to prioritize investments in combat power without sufficient regard to the required logistics or mobility assets. As our witnesses are keenly aware, advanced platforms and technologies will have little opportunity to matter if we lack the ability to project and sustain combat power. It is critical that we have a robust strategy for recapitalizing our aging sealift fleet, in particular, and I would like to understand how the committee could further assist in this effort.

Another transportation issue of great importance is TRANSCOM’s personal property program. We’ve seen an alarming spike in customer dissatisfaction over the last few move seasons, and the Readiness subcommittee has been focused on pressing TRANSCOM to identify and remediate the problems that have caused unacceptable move delays and damage to household goods. I understand that TRANSCOM is considering contracting a single move manager to run this program. Many of my colleagues are hearing concerns from military families and small businesses about this transition. General Lyons, I look forward to hearing how you believe this new construct will address the program’s current shortcomings and your assessment of the potential impact to the moving industry.

I know our witnesses share many of my concerns and are working hard to address them. I look forward to your testimony.

Opening Statement
Ranking Member Doug Lamborn
Subcommittee on Readiness
U.S. Transportation Command and Maritime Administration:
State of the Mobility Enterprise
March 7, 2019

Thank you, Mr. Chairman, and thank you for calling this important hearing. Today the subcommittee will hear from the Commander of Transportation Command and the Administrator of the Maritime Administration on how well the Department of Defense is postured to meet the heavy and sustained logistical demands of a major conflict.

While TRANSCOM has operational control of some Air Force and Navy owned aircraft and ships for this mission, a major contingency will require the substantial assistance of the US commercial air and shipping fleet, as well as the domestic rail industry. Further, TRANSCOM must rely on the military departments to budget for critical organic assets such as ships, planes, reinforced rail cars, and ports, and the commercial air, rail, and shipping industry to willingly participate in defense logistical programs.

TRANSCOM can influence, but cannot direct, Army, Navy, and Air Force budget decisions, nor commercial industry business decisions. We understand that there are some deficiencies in this complex system that must be addressed. Among these are the Air Force's aging tanker fleet and some near obsolete vessels that are part of our surge sealift fleet. We welcome the witnesses' perspective on these issues and any recommendations they may have.

Finally, we understand that TRANSCOM intends to change the management structure of the Personal Property Shipment Program, which arranges for the movement of military family household goods from base to base. While this program sorely needs improvement, any changes contemplated must well thought out measures that provide far better service to military families and not change for change sake,

Thank you, Mr. Chairman. I look forward to our witnesses' testimony.

Statement of
General Stephen R. Lyons, United States Army
Commander, United States Transportation Command



Before the House Armed Services Committee
Readiness Subcommittee and the Seapower and Projection Forces Subcommittee
On the State of the Command
7 MARCH 2019

UNITED STATES TRANSPORTATION COMMAND 2019**Delivering for our Nation**

United States Transportation Command (USTRANSCOM) is one of ten warfighting combatant commands (CCMD) in the Department of Defense (DOD). Our ability to deliver and sustain combat power anywhere in the world underpins the lethality of the Joint Force. USTRANSCOM's purpose is to project and sustain military power at a time and place of our choosing in support of the National Defense Strategy (NDS). In doing so, we advance American interests and provide our Nation's leaders with strategic flexibility to select from multiple options and create multiple dilemmas for adversaries. No other country in the world possesses the capability to deploy, sustain, and redeploy forces across strategic distances, providing an immediate force and a decisive force when needed.

With global responsibilities and capabilities that transcend air, land, and sea, USTRANSCOM is uniquely postured to fulfill five specific responsibilities within the 2017 Unified Command Plan that include: 1) the DOD's Single Manager for Transportation, 2) the Mobility Joint Force Provider, 3) the DOD Single Manager for Global Patient Movement (GPM), 4) the Joint Deployment and Distribution Coordinator (JDDC) for the Joint Deployment and Distribution Enterprise (JDDE), and 5) providing Joint Enabling Capabilities via the Joint Enabling Capabilities Command (JECC).

USTRANSCOM responsibilities are operationalized and executed through three component commands; Military Surface Deployment and Distribution Command (SDDC), Military Sealift Command (MSC), and Air Mobility Command (AMC); and one subordinate command, the Joint Enabling Capabilities Command (JECC). In addition, the Joint Transportation Reserve Unit (JTRU) provides critical Reserve manpower augmentation to

USTRANSCOM headquarters. USTRANSCOM also has a strong connection with commercial industry, sometimes referred to as the '4th Component,' because they provide important augmentation in day-to-day and surge operations.

Our Total Force team is comprised of more than 122,000 Active Duty, National Guard, Reserve, and Civilians that conduct worldwide operations. In addition, industry partners under contract to the U.S. Government provide critical transportation capacity, access to global trade networks, and trained Merchant Mariners to crew U.S. Navy sealift vessels. On an average day in USTRANSCOM, 115 railcars are moving DOD equipment, 33 ships are underway, 1,500 trucks are delivering cargo, an aircraft is taking off or landing around the world every 2.8 minutes with 455 airlift sorties in motion, 47 tanker sorties are refueling receiver aircraft, and 13 airborne patients are under expert medical professionals' care. This activity, although significant, would be dwarfed by a wartime scenario that requires a fully-mobilized deployment enterprise.

Strategic Environment

The NDS describes the DOD's response to the most complex security environment we have experienced in recent memory, and we expect that power projection will be contested in all domains. For decades, the U.S. enjoyed dominance in every operating domain; we could generally deploy our forces when we wanted, assemble them where we wanted, and operate how we wanted. China, Russia, and to a lesser extent rogue regimes now challenge this ability through competition across all dimensions of power, resulting in long and potentially contested lines of communication for USTRANSCOM. In this operating environment, focused DOD effort, complemented by a whole-of-government effort, is necessary to enable sufficient

comparative advantage in mobility and logistics for USTRANSCOM to project military power decisively when our Nation calls.

Projecting the Joint Force Globally

USTRANSCOM and the broader JDDE are designed to project and sustain military forces around the world. We conduct globally integrated mobility operations through dynamic synchronization of (1) global deployment networks; (2) a global command & control and integration construct to dynamically allocate resources for our Nation's strategic priorities; and (3) transportation and mobility capacity operating across air, land, and sea.

1. Global Deployment Networks

USTRANSCOM's global networks of nodes and routes provide the Nation with multiple paths to connect the globe and deliver Joint Force capability for supported combatant commanders (CCDR). Power projection capabilities are enabled by en route infrastructure and are metered by a command's ability to receive the force. Power projection is underpinned by diplomatic alignment and geopolitical agreements with allies and partners to enable strategic maneuver of the force and deliver effects to the point of need.

1a. CONUS Power Projection

CONUS power projection relies upon DOD installations, seaports, railways, and highways that connect them. USTRANSCOM manages several programs on behalf of DOD, in coordination with other government agencies, to ensure our national infrastructure is sufficient to support military mobilization. The Strategic Seaport Program consists of 23 primary seaports and multiple alternate ports. The majority of these ports are active, commercial ports spread across the east, west, and gulf coasts. The Strategic Rail Corridor Network (STRACNET) program connects rail lines with over 120 defense installations and sites of military importance.

The Strategic Highway Network (STRAHNET) includes over 62,000 miles of roadways connecting important military installations to each other and with strategic seaports to facilitate rapid movement of military cargo. DOD power projection requires close coordination with other federal agencies to create a Joint Force conduit from garrison locations to ports of embarkation.

1b. Geopolitical Access

Assured, international access across air, land, and sea is underpinned by close coordination with like-minded allies and partners to obtain and retain sufficient and resilient en route support networks providing durable comparative advantage that no competitor can match. Allies and partners provide access to key regions, supporting a substantial basing and logistics system that reinforces the DOD's global reach. Without that system, the DOD would lack options in many contingencies and our responses would require more time to execute at greater cost. For the past 75 years, our allies and partners have joined us in defending freedom, deterring war, and maintaining the rules which underwrite a free and open international order. Strategic investment in international agreements, defense partnerships, and infrastructure provide multiple power projection pathways supporting global deployment.

2. Global Command & Control and Integration

USTRANSCOM's mission transcends traditional Geographic Combatant Command boundaries, and our ability to integrate global mobility operations enables the JDDE to dynamically redirect capacity and operate at the speed of relevance. Global Command and Control allows USTRANSCOM, in support of Joint Force global integration, to apply resources consistent with strategic priorities in time and space. Through global networks and the capability to prioritize across all missions and modes, USTRANSCOM has the ability to source the optimal method of transportation to maximize value and responsiveness for supported commanders.

Ultimately, Global Command & Control and Integration is necessary for USTRANSCOM to achieve decisive warfighting effects. Our adversaries intend to disrupt or deny this capability through cyber attacks, which requires robust defense capabilities for mission assurance.

3. Transportation and Mobility Capacity

Transportation and mobility capacity provides the lift that operates within the global deployment network. USTRANSCOM's assigned mobility forces consist of sealift, aerial refueling, inter-theater airlift, and intra-theater airlift forces. The DOD mobility force mix is spread across the Total Force with approximately 60 percent of the capacity retained in the Guard and Reserve. They are integrated into our day-to-day operations—some as directed through mobilization and others obtained by volunteerism. Our wartime mission success is dependent on the mobilized output of our Guard and Reserve partners. When necessary or when fiscally advantageous, military mobility capacity is augmented by commercial industry, and during wartime, they contribute to Joint Force projection through emergency preparedness programs. The following paragraphs address mission profiles in the areas of sealift, aerial refueling, airlift, patient movement, and industry capacity.

3a. Sealift

The DOD's sealift transportation fleet is expected to transport approximately 90 percent of our military cargo during wartime surge (primarily for the U.S. Army), and it consists of Roll-On/Roll-Off (RO/RO) ships, prepositioned afloat vessels, specialty ships for heavy lift, over-the-shore petroleum distribution ships, and crane support ships. Because the majority of our sealift fleet support is dedicated to wartime requirements, a significant portion is maintained in a Reduced Operating Status that is available for tasking five days after activation. Due to the increased age of the sealift fleet, degraded fleet readiness, and wartime requirements, sealift is

USTRANSCOM's number one readiness concern. USTRANSCOM needs continued Congressional support for DOD efforts to improve sealift.

Due to the age of DOD vessels and the level of maintenance funding in prior years, the overall health of the Surge Sealift Fleet has deteriorated. The Ready Reserve Force vessels average nearly 44 years old with the oldest in the fleet being 55 years old. In contrast, the average age of U.S.-flag, militarily useful vessels in the commercial sector is approximately 19 years of age, which by international standards is approaching end of service life. The use of steam-propulsion has become obsolete across the competitive global shipping market, however five steam-ships remain in the U.S.-flag commercial sector, and they are all scheduled to be phased out by 2021. When that occurs, USTRANSCOM will be the sole U.S. operator of steam-powered vessels, with 26 vessels, complicating readiness because of the near extinction of steam-propulsion engineers, parts obsolescence and unavailability, and increased maintenance costs.

The DOD has not met ship availability goals in recent years, and the U.S. Navy is addressing this problem by pursuing a three-pronged, sealift recapitalization strategy through 1) service life extensions where cost effective, 2) acquiring used vessels with Congressional approval, and 3) procuring new sealift vessels in the out years. The FY 2018 and FY 2019 National Defense Authorization Acts (NDAA) authorized the purchase of seven used vessels, and we expect to procure the first two vessels in 2021 and 2022.

Commercial industry plays a critical role for DOD sealift by augmenting capacity, providing access to global trade networks, and generating a supply of qualified private sector Merchant Mariners essential to crew every surge sealift ship. Although the U.S. Merchant Mariner pool is currently sufficient to crew the surge sealift fleet, long-term, sustained conflicts

could overstress the commercial industry's supply of contract mariners needed for sustainment operations.

USTRANSCOM utilizes commercial industry during day-to-day contracted operations, and if needed in contingencies, we can activate participating companies through the Voluntary Intermodal Sealift Agreement (VISA) to gain access to critical sealift and intermodal capacity. When required, DOD also leverages U.S. commercial industry and foreign-flag shipping for strategic transport of bulk petroleum.

3b. Aerial Refueling (AR)

The AR fleet provides the backbone of rapid U.S. global operations, and “tankers” are the lifeblood of our Joint Force’s ability to deploy an immediate force supporting all NDS mission areas. AR is USTRANSCOM’s number two readiness concern. Today’s AR fleet consists of the new KC-46 currently being delivered, the 33 year-old KC-10 that is planned for divestment, and the KC-135 which is a 57-year old airframe programmed to continue flying through mid-2050. Currently, we must manage limited AR capacity and globally position/reposition tankers to meet the highest priority NDS requirements while taking risk in lower priority missions.

Limited fleet capacity, an aging fleet with degraded readiness, and non-mobilized operational utilization challenges pose significant risks to meeting future demands. Approximately 60 percent of the AR force resides in the Air Reserve Component (ARC), requiring careful management to satisfy daily operations and enable the crew force to attain full spectrum readiness. During KC-46 unit conversions, we are working closely with the U.S. Air Force to retain sufficient AR capacity and potentially delay the retirement of KC-135 aircraft in order to maintain sufficient number of aircraft to meet operational requirements. We strongly advocate for continued Congressional support to enhance tanker readiness and balance new

aircraft fielding with aging aircraft divestiture in order to retain the necessary number of accessible AR assets over the next decade to ensure USTRANSCOM can meet NDS demands.

3c. Airlift

Airlift forces enable rapid power projection and sustainment of forces around the world. Our strategic airlift force is comprised of C-5s and C-17s that are designed to carry over-sized and out-sized cargo. In addition to strategic lift, C-130s provide intra-theater delivery under austere conditions. USTRANSCOM also enables theater rotary-wing and fixed-wing contract airlift support where there is a demand and security conditions permit. For example, USTRANSCOM routinely provides contracts which support passenger and cargo airlift services, air ambulance, medical evacuation, sling-load cargo operations, and delivery of supplies for USCENTCOM, USAFRICOM, USSOCOM, and USINDOPACOM.

Sixty percent of the military airlift fleet resides in the ARC underscoring our Nation's reliance on Reserve forces and the need to balance crew tempo in non-mobilized operations. We are at the lowest non-mobilized airlift capacity for daily activities since 2003. The military fleet of 'gray tails' is reinforced by commercial augmentation accessed through day-to-day contracts or through the Civil Reserve Air Fleet (CRAF) emergency preparedness program in times of crisis. We are increasing the use of commercial augmentation to balance daily airlift workload with unit readiness and enhance high-end warfighting proficiency of the Mobility Air Force.

3d. Global Patient Movement

The USTRANSCOM patient movement mission is executed by the U.S. Air Force aeromedical evacuation (AE) system and is a unique and vital part of the military mobility enterprise for supported commanders. En route care is provided by aeromedical professionals across the Total Force that are specially trained to operate within the AE system and enabled by

nodal staging facilities located at key locations around the globe. These professionals provide time sensitive, fixed-wing, mission critical in-flight care to patients in transit for varying levels of medical care. Highly specialized Critical Care Air Transport Teams (CCATTs) are capable of providing intensive care while airborne, which are growing to meet anticipated demands of operational plans. Global patient movement is a Total Force mission with nearly 90 percent of the total AE structure in the Reserve component to meet mission requirements.

3e. Commercial Industry

The JDDE is inextricably linked to commercial industry capacity, networks, and capabilities to support DOD requirements. From day-to-day operations through wartime mobilization, commercial nodes, rail infrastructure, trucks, aviation, and sealift capabilities are integral to USTRANSCOM's ability to respond and scale to need. In times of crisis DOD accesses strategic transportation capacity through designated emergency preparedness programs—VISA and CRAF.

The Maritime Security Program (MSP), authorized by Congress and administered by MARAD, provides a stipend for 60 U.S.-flag ships that are contractually committed to be available for national contingencies. These MSP participants contribute to VISA which enables USTRANSCOM assured access to shipping services using U.S.-flag ships and their global transportation networks during contingencies through pre-approved contingency contracts.

Our CRAF contract providers are essential to meet global airlift mobility requirements for both cargo and passenger movements in times of need. This important relationship provides Long-Range International airlift for approximately 40 percent of DOD air cargo and over 90 percent of passenger movements required in operational plans. To incentivize support for this essential program, CRAF enrollment is a prerequisite for U.S. General Services Administration's

City Pair Program, which spends approximately \$3 billion annually on government travel. The CRAF program is fully subscribed and provides DOD with aircraft from 25 safety certified airline companies to augment the U.S. Air Force mobility fleet during contingencies and national emergencies.

Cyber Mission Assurance

Cyberspace is a warfighting domain, without sanctuary, in which capable adversaries continuously attempt to degrade our Nation's ability to project the Joint Force globally. As in all warfighting domains, assuring mission capabilities requires resilience and simultaneous efforts across multiple functions and stakeholders, including defense, interagency, and industry partners. Our actions are underscored by the need to understand adversary intentions, capabilities, and actions targeting the JDDE. USTRANSCOM actively manages mission risk and advances our cyber domain capabilities by understanding our large and complex cyber terrain, which is an evolving endeavor. Defending cyberspace operations, providing for mission assurance through continuity of operations when degraded, and ensuring our ability to conduct uninterrupted Global Command & Control and Integration are paramount to our success.

In addition to operations on Department of Defense Information Networks (DODIN), USTRANSCOM has special interest and equities in the mission assurance of industry partners relying on non-DODIN cyber networks. We are working closely with industry partners and have mandated contract language to improve cyber hygiene and mandate contractor compliance with National Institute of Standards and Technology (NIST) Special Publication 800-171 standards, which contains 110 distinct cybersecurity controls, on commercial networks. Industry partners are required to conduct annual self-assessments and are encouraged to share information with associated timelines for improvement where necessary. NIST controls are just the first step in a

longer journey toward commercial industry's cyber mission assurance. Industry partners have been responsive to DOD cyber initiatives and recognize the utility in resilient operations capability in the cyber domain.

Mobility Capabilities and Requirements Study (MCRS)

At the direction of the FY 2018 NDAA, USTRANSCOM collaborated with the Office of the Secretary of Defense Cost Assessment and Program Evaluation (CAPE) to conduct an MCRS assessing the force sufficiency of airlift, AR, and sealift capacity to meet the NDS missions. The study concluded that current, programmed fleets are sufficiently sized in the near-term to meet combatant commander mobility requirements, as defined in previously approved war plans, with elevated risk. The study also highlighted readiness challenges with the reliability of existing sealift vessels and AR tankers that, if not addressed, will lead to increased risk in mobility support to the NDS wartime missions. Specifically, the study reaffirmed the requirement to recapitalize aging U.S. Navy sealift vessels and U.S. Air Force AR fleets. Key enablers for network resiliency and protection of mobility operations were also identified as beneficial to overcome contested environment challenges. As plans evolve, we will continue to assess the mobility enterprise's sufficiency against globally integrated plans to capture the simultaneous demands of future scenarios.

Joint Enabling Capabilities

The Joint Enabling Capabilities Command provides DOD's mission-tailored joint communications, planning, and public affairs support packages for all CCMDs, accelerating the establishment, organization, and operation of Joint Force headquarters. In FY18, the JECC played a critical role supporting DOD globally integrated operations through short notice, limited-duration deployments of over 1,000 joint personnel (70 percent were Reserve and

National Guard) to 18 countries supporting 14 requests for forces, five Global Response Force deployments, two Defense Support to Civilian Authorities assignments, and tailored organic communications networks supporting simultaneous requirements to multiple CCMDs. The JECC is a key enabler, which has provided planning support for Joint Staff campaign plan development, Customs and Border Patrol, Northeast Asia force flow requirements, Hurricane Florence and Michael support, and multiple operations and exercises around the world. It would be expensive and inefficient to embed this level of highly qualified expertise in every CCMD, so this pool of experts is an economy of force that allows the CJCS to weight the joint effort to achieve desired mission outcomes.

Keeping Pace: Leveraging the Cloud, Data, and Analytics to Meet Evolving Requirements

USTRANSCOM is on a path to leverage our Data and Analytics strategy to generate competitive global planning and decision-making advantage for the JDDE. Success in this area starts with access to data through an Enterprise Data Environment coupled with advanced analytics, machine learning, and artificial intelligence. Our primary goal in leveraging data and analytics is to enhance our operational insights and foresights to make better decisions in support of Joint Force power projection. Our cloud journey embraces a modern, digital infrastructure which is critical to defend against cyber-attacks as well as provide greater reliability, adaptability, and scalability of the systems that support USTRANSCOM and our components. Innovation and critical thinking are essential at every echelon, and USTRANSCOM will evolve and overcome emerging threats by being agile in our processes, willing to test, rapidly adopt or reject new technologies, and make wise investments to for the future. Leveraging the cloud, data, and analytics is essential to understand, think, and act at the speed of relevance to out-pace our adversaries in an increasingly complex and dynamic operating environment.

The Defense Personal Property Program (DP3)

USTRANSCOM is working with military services and is committed to improving relocation process for military members and families. We appreciate Congress's expressed interest in improving the DP3. Each year, the DOD relocates over 400,000 Service Members, DOD Civilians, and their families to assignments across the globe. Roughly 40 percent of these moves occur between May 15 and August 31, which is the period we refer to as 'Peak Season' due to the strain the DOD's assignment cycle places on commercial capacity. Customer satisfaction survey respondents rate their personal property relocation as either satisfactory (9%), good (18%), or excellent (63%). However, 10 percent of respondents report unsatisfactory experiences, which usually correlate with peak seasons.

In response, the Undersecretary of Defense for Personnel and Readiness and the Undersecretary of Defense for Acquisition and Sustainment established a joint working group to identify ways in which DOD could improve moving experience during peak season. As a result, the Services are attempting to spread military moves to off-peak timeframes and are issuing PCS orders earlier to facilitate planning. These are important initiatives that will generate marginal progress to mitigate stress on the moving industry but will not fundamentally improve DP3, a program plagued by diffused responsibilities and accountability, lack of transparency, and insufficient quality capacity to meet peak requirements. In support of the DOD reform initiative, USTRANSCOM is exploring a centralized acquisition approach that would transition DP3 to a single move manager. This concept would improve capacity and curbside service by incentivizing long-term investment by industry, reduce barriers to entry into DOD markets, and establish clear accountability and transparency. If approved, this contract will be in place by 2021.

Executive Summary

The Nation relies on USTRANSCOM to project an immediate force tonight and a decisive force when needed and continues to adapt to the most complex security environment in recent history. JDDE power projection utilizes the global deployment network; global command & control and integration; and transportation and mobility capacity, to include commercial industry, to move Joint Force capability in support of national priorities. This capability is underwritten by whole-of-government coordination to secure and sustain access, basing, and diplomatic agreements. To maintain strategic comparative advantage, we have three top mobility concerns to fulfill NDS mission requirements: 1) readiness of the U.S. Navy's aging sealift fleet, 2) readiness and capacity of the U.S. Air Force's air refueling platforms, and 3) cyber domain mission assurance. We appreciate the exceptional teamwork from the Services, Combatant Commands, the Office of the Secretary of Defense, and Congress. USTRANSCOM's ability to project the Joint Force globally at the time and place of our choosing provides our Nation's leaders with multiple options while presenting multiple dilemmas for potential adversaries. I am extremely proud of our Soldiers, Sailors, Marines, Airmen, and Coast Guardsmen who serve with pride and answer our Nation's call every day.

Together, We Deliver.

General Steve Lyons
Commander, U.S. Transportation Command

General Steve Lyons is the Commander, United States Transportation Command, Scott Air Force Base, Illinois, one of ten Combatant Commands under the Department of Defense. USTRANSCOM's mission is to project and sustain military power, enable global reach, and provide a full range of flexible and responsive options to national leadership while presenting multiple dilemmas for potential adversaries.

General Lyons has extensive leadership experience spanning 35 years of military service. He began his career in Germany during the Cold War and subsequently held a wide range of assignments to include command of troops at every level, multiple operational deployments, and over 6 years of experience in joint assignments. As a battalion commander in 2003, he led more than 1200 Soldiers as part of the 3d Infantry Division's ground assault to liberate Baghdad. Since 2003, he has spent more than 40 months deployed to the U.S. Central Command area of responsibility in support of Operation Iraqi Freedom and Operation Enduring Freedom (Afghanistan). He also served as the 14th USTRANSCOM deputy commander from 2015-2017.

A native of Rensselaer, New York, General Lyons graduated from the Rochester Institute of Technology (RIT) and was commissioned a second lieutenant in the US Army in 1983. He holds two master's degrees, one from the Naval Postgraduate School in logistics management (1993); and a second from the Industrial College of the Armed Forces in national resource strategy (2005). His awards include the Defense Distinguished Service Medal and the Master Parachutist Badge.

**STATEMENT OF
MARK H. BUZBY
ADMINISTRATOR
MARITIME ADMINISTRATION
U.S. DEPARTMENT OF TRANSPORTATION**

**BEFORE THE
COMMITTEE ON ARMED FORCES
SUBCOMMITTEE ON SEAPOWERS AND PROJECTION FORCES
AND SUBCOMMITTEE ON READINESS
U.S. HOUSE OF REPRESENTATIVES**

HEARING ON

March 7, 2019

Good afternoon, Chairman Courtney, Chairman Garamendi, Ranking Members Wittman and Lamborn, and members of the Subcommittee. I appreciate the opportunity to join our partner, U.S. Transportation Command (USTRANSCOM), to discuss the “State of the Mobility Enterprise” and the Maritime Administration’s (MARAD) role in supporting the Department of Defense’s (DOD) strategic sealift capabilities. U.S. strategic sealift consists of Government-owned vessels and assured access to a fleet of privately-owned, commercially operated, U.S.-flag vessels and intermodal systems, and the private sector mariners who operate them. Together, these vessels, mariners, and networks transport equipment and supplies to deploy and sustain our military forces anywhere in the world. Our sealift enterprise faces critical challenges to provide the readiness assurances needed to meet the global threats we now face.

Ready Reserve Force

MARAD’s Ready Reserve Force (RRF) is comprised of Government-owned ships within the National Defense Reserve Fleet (NDRF). We maintain the RRF in an advance state of surge sealift readiness. The fleet stands on-call to transport critical cargo during major contingencies. In the event of a contingency, the 46 RRF vessels, along with 15 Military Sealift Command vessels, provide the initial surge of sealift capacity. These vessels would then be joined by commercial U.S.-flag vessels to provide sustainment shipping capacity.

Vessels in the RRF fleet are very old. In fact, the average age of RRF vessels is over 44 years, and for the past year the vessels have struggled to maintain an 85 percent readiness level across the fleet. As a result, MARAD faces ongoing readiness challenges that will continue to impact our capabilities until we are able to complete much needed service life extensions and the fleet is recapitalized with newer ships. MARAD supports the Navy’s surge sealift recapitalization strategy, which includes a combination of targeted service life extensions, acquiring and

converting used vessels, and building new vessels in U.S. shipyards. All of these efforts require key industrial capabilities: A sustainable ship construction industrial base and available and sufficient marine repair facilities.

The escalating costs of service life extensions of the existing fleet is an ongoing concern. Older increasingly obsolete equipment and systems require more time and money to repair or replace, if replacement parts, equipment and systems are even available. MARAD uses available resources to complete necessary repairs to comply with new regulatory requirements, such as upgrading and installing lifeboats, comprehensively addressing exhaust emissions, and treating ballast water.

The growing maintenance needs required to sustain this elderly fleet's readiness relies upon a distributed repair industrial base that has seen significant contraction due to market forces. Old ships require longer and more costly shipyard periods, but the shrinking base limits drydocks available to U.S. vessels—Navy, Coast Guard, NOAA, and the commercial fleet. The resulting maintenance backlog negatively impacts fleet-wide sealift readiness. MARAD and the USTRANSCOM are working with the U.S. Navy to plan for resourcing readiness, including extending the service life of nearly the entire RRF fleet, out to 60 years. With increasingly expensive, age-related repairs, parts unavailability, and the declining availability the qualified steam-ship engineers needed to work on vessels from this era, we anticipate that programming sufficient resources will remain a challenge through the recapitalization period to 2048.

We are taking steps toward the acquisition and conversion of used ships, including the purchase of two vessels as authorized by the Fiscal Year (FY) 2018 National Defense Authorization Act (NDAA). In mid-January, Navy and DOD gave MARAD their requirements for used sealift ships to be acquired from the commercial market. On February 14, 2019, MARAD released a Request for Information to identify suitable ships. Responses are expected by March 19th. The information gained will help us coordinate with the Navy to ensure resources are available to acquire and convert replacement vessels. Also in January, we provided Navy with input to develop their business case analysis for sealift recapitalization. MARAD will continue to collaborate with our DOD partners to address RRF vessel maintenance, repair, and modernization shortfalls to keep the capability viable until commercial acquisitions or new construction can meet projected service life end dates.

National Defense Reserve Fleet

In addition to the RRF, MARAD manages the other vessels in the NDRF, which are used for merchant mariner training, natural disaster response, and supporting our national security, defense, and law enforcement partners. For example, two NDRF ships were converted for use by the Missile Defense Agency to support ballistic missile defense system testing.

MARAD is also working to replace aging NDRF training vessels that we provide to the six state maritime academies to train entry-level merchant marine officers needed to crew Government and U.S.-flag commercial ships. We appreciate the support Congress provided for the School Ship recapitalization program, by appropriating funding for one vessel each in FY 2018 and FY 2019. Since first receiving funding in March 2018, MARAD has been implementing the approved acquisition strategy, incorporated industry feedback into the ship design, and is in the final stages of selecting a Vessel Construction Manager. The first training ship is expected to be delivered to DOT/MARAD first quarter 2023 and the second by the end of the third quarter of FY 2023.

U.S.-Flag Commercial Fleet

Our Nation's strategic sealift fleet is augmented by U.S.-flag commercial vessels. Commercial mariners play an essential role, during steady state and contingency operations, by delivering supplies and equipment to deployed forces and overseas installations around the world. As this committee is aware, the number of U.S.-flag vessels engaged in international trade has declined over the past several decades and has remained near its lowest level in history for several years. Of approximately 50,000 large, oceangoing commercial vessels in the world today, fewer than 200 sail under the U.S. flag, including 82 vessels operating exclusively in international trade. The remaining 99 operate almost exclusively in Jones Act trades. These types of vessels are critical to the employment base for mariners with the credentials and training required to crew Government ships when needed. The decline of the commercial U.S.-flag fleet has been a perennial and intensifying challenge, and any further decline of the actively-trading U.S.-flag fleet reduces our Nation's ability to unilaterally project and sustain our forces during war.¹

Congress established the Maritime Security Program (MSP), cargo preference laws, and the Jones Act to foster the development and encourage the maintenance of a robust merchant marine; however, these programs now merely maintain a limited number of oceangoing ships in the U.S.-flag fleet. The MSP helps maintain an active, privately-owned, U.S.-flag fleet of 60 militarily useful commercial ships operating in international trade and employing U.S. mariners fully qualified for sealift operations. MARAD provides MSP participants an annual stipend to facilitate the financial viability of operating under the U.S.-flag, and in return, their ships and logistics networks are available through pre-negotiated contingency contracts and "on-call" to support DOD's global transportation needs when activated. The MSP facilitates employment for

¹ See April 10, 2018 Statement of General Darren W. McDew, Commander, U.S. Transportation command, before the Senate Armed Services Committee: *"If the fleet continues to lose ships, a lengthy, mass deployment on the scale of Desert Shield/Desert Storm could eventually require U.S. Forces to rely on foreign-flagged ships for sustainment."* https://www.armed-services.senate.gov/imo/media/doc/McDew_04-10-18.pdf

2,400 U.S. merchant mariners qualified to sail on oceangoing vessels who we can call upon to crew the RRF vessels when activated. The MSP also assures DOD access to the critical multibillion-dollar global network of intermodal facilities and transport systems maintained by MSP participants.

In the commercial maritime industry, cargo is king. Government and commercial demand for U.S.-flag cargo transportation is essential to sustain the vessels and jobs in the U.S.-flag fleet. Cargo preference laws require shippers of Government-impelled cargo to use U.S.-flag vessels for the ocean-borne transport of a significant portion of certain cargoes purchased or guaranteed with Federal funds. Specifically, 100 percent of military cargo, and at least 50 percent of most non-military Government-owned or impelled cargo transported by ocean, must be carried on U.S.-flag vessels subject to a MARAD determination of vessel availability. Absent other measures, these cargo preference mandates support the sustainment and readiness of a U.S.-flagged, privately-owned, international trading commercial fleet, and the continued employment of the associated American private sector merchant mariners.

In addition to cargo preference laws, U.S. coastwise trade laws, commonly referred to as the Jones Act, contribute to sealift capability and capacity and help sustain the U.S.-flag domestic trading fleet. Jones Act requirements support U.S. shipyards and repair facilities, and sustain supply chains that produce and repair American-built ships (including Navy and Coast Guard vessels). As noted earlier in this testimony, maintaining a domestic base of shipbuilding and repair facilities is critical to ensuring the readiness of our strategic sealift fleet. In addition, Jones Act vessels employ U.S. mariners and ensure that vessels navigating daily among and between U.S. coastal ports and inland waterways operate with U.S. documentation and a majority American crew, rather than under a foreign flag with foreign crew. The American mariners of the Jones Act fleet are our “eyes and ears” in domestic ports and waters and add an important layer of security to our Nation.

U.S. Merchant Mariners

The use of Reduced Operating Status (ROS) crews onboard RRF ships keeps a core crew ready to activate Government-owned vessels in a very short period of time. This core of nine or ten crewmembers maintains the ships and systems ready to get underway within five days of notification, but they must be quickly augmented with a full crew complement to set sail. Access to a pool of qualified mariners from a robust, commercial maritime fleet is an essential multiplier to maintaining enough sealift readiness capacity for contingencies.

As I stated previously, the number of ships in the U.S.-flag, oceangoing fleet has declined for many decades and has now reached a historic low. As a result, I am concerned about our ability to quickly assemble an adequate number of qualified mariners to operate large ships (unlimited

horsepower and unlimited tonnage) needed for surge and sustainment sealift operations during a mobilization lasting more than six months. We may be short of what is needed to meet crewing requirements after the first six months of a full military mobilization. While, historically, the men and women of the merchant marine typically shipped out in times of need and would likely voluntarily extend their time at sea beyond normal tours if called upon to do so, it is important to note that commercial mariners are under no legal obligation to report when called. MARAD is conducting surveys to ascertain with more certainty the potential availability and potential willingness of mariners to “answer the call.” The results will help clarify the size of the pool of qualified mariners upon which our Nation could potentially rely in times of need. Additionally, we are working to better track licensed mariners who may no longer be sailing, but could serve if needed, and to develop tools to understand and analyze changes in the numbers of fully qualified mariners trained to meet the Nation’s commercial and sealift requirements when needed.

MARAD also continues to support mariner training through the U.S. Merchant Marine Academy (USMMA) and the six state maritime academies, which produce highly skilled and licensed officers for the U.S. Merchant Marine. These institutions graduate most of the U.S. Coast Guard credentialed officers who are qualified to crew U.S.-flag ocean-going ships including RRF vessels. In addition, all USMMA Midshipmen and certain state maritime academy students who receive Federal financial assistance to attend an academy incur obligations to sail for a specific time or to otherwise serve in the U.S. maritime-related industry, as well as to serve in an active or reserve component of the U.S. Armed Forces. For example, USMMA graduates incur an obligation to maintain their license as an officer of the merchant marine for six years following graduation and to serve five years as a merchant marine officer aboard U.S. documented vessels if such employment is available or on active duty with the U.S. Armed Forces or uniformed services. If not on active duty, they must serve as a reserve commissioned officer for eight years. The USMMA is the single largest annual contributor to the U.S. Navy’s Strategic Sealift Officer community, sponsored by the Commander of the Military Sealift Command. These officers form a critical part of the sealift manning equation because of their service obligation to maintain their license and crew the RRF in emergencies.

Conclusion

I believe that MARAD can support DOD sealift requirements today, but we are facing readiness challenges that require careful planning and action now. MARAD remains committed to working with our Navy and USTRANSCOM partners to meet these challenges and to continue providing the sealift capabilities needed to meet our national security requirements.

Thank you for the opportunity to testify today. I appreciate your support for the Merchant Marine and I look forward to your questions.

**Rear Admiral Mark H. “Buz” Buzby, USN, Ret.
Administrator**

Rear Adm. Mark H. Buzby was appointed by President Donald Trump and sworn in as Maritime Administrator on August 8, 2017. Prior to his appointment, Buzby served as president of the National Defense Transportation Association, a position he has held since retiring from the U.S. Navy in 2013 with over 34 years of service.

A 1979 graduate of the U.S. Merchant Marine Academy, Buzby earned his Bachelor of Science in Nautical Science and U.S. Coast Guard Third Mate License. He was commissioned in the US Navy in June 1979, is a graduate of the Joint Forces Staff College and holds master’s degrees from the U.S. Naval War College and Salve Regina University in Strategic Studies and International Relations respectively.

Buzby commanded destroyer USS CARNEY (DDG 64), Destroyer Squadron THIRTY-ONE, Surface Warfare Officers School Command, and Joint Task Force GUANTANAMO BAY. As a junior officer, Buzby served in USS CONNOLLE (FF1056), USS ARIES (PHM 5), USS YORKTOWN (CG 48), USS JOHN PAUL JONES (DDG 53) and USS SHILOH (CG 67) primarily in operations and combat systems billets. In 1985, he was the Atlantic Fleet Junior Officer Shiphandler of the Year.

Ashore, he served on staffs of SIXTH Fleet, US Fleet Forces Command, the Navy staff, and the Joint Staff. Buzby served as the Commander of the U.S. Navy’s Military Sealift Command from October 2009 to March 2013.

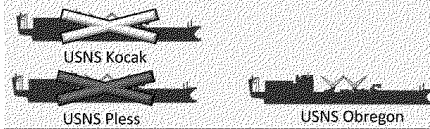
Buzby’s personal awards include the Defense Superior Service Medal, Legion of Merit (four awards), Bronze Star, Defense Meritorious Service Medal, Meritorious Service Medal (five awards) and various other unit and campaign awards.

DOCUMENTS SUBMITTED FOR THE RECORD

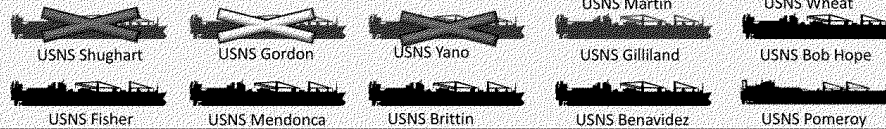
MARCH 7, 2019

Ready Reserve Fleet & Surge Sealift Readiness Snapshot as of 06 March 2019

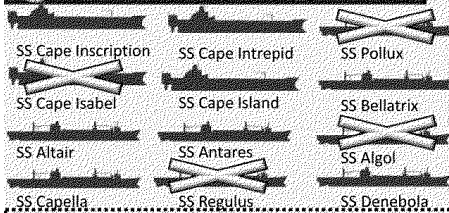
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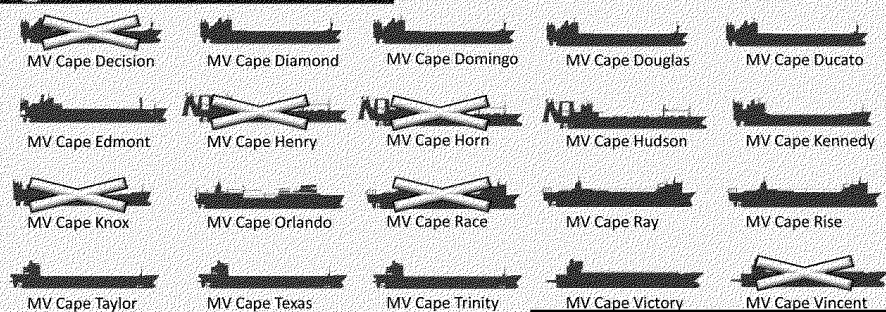
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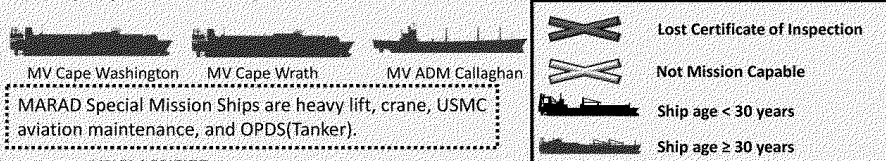
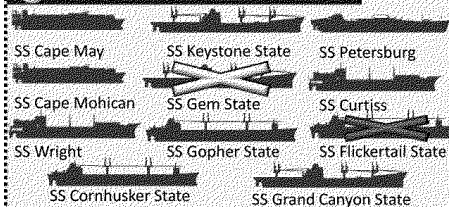
MARAD: RORO Steam Ships (12)



MARAD: RORO Diesel/GT (23)



MARAD: Special Mission Ships (11)



MARAD Special Mission Ships are heavy lift, crane, USMC aviation maintenance, and OPDS(Tanker).

OPR: MSC

UNCLASSIFIED



MARITIME ADMINISTRATION Maritime Security Program (MSP) Fleet

Vessel / MSP Company



Economic Security - National Security - Homeland Security

Roll-on / Roll-off Ships (18)



Length - 553 Feet / 169 Meters, Beam - 106 Feet / 32 Meters
Deadweight - 15,196 MTON
Military Useful Capacity - 131,610 sq ft
INDEPENDENCE / American International Shipping, LLC



Length - 553 Feet / 169 Meters, Beam - 106 Feet / 32 Meters
Deadweight - 22,584 MTON
Military Useful Capacity - 134,374 sq ft
INTEGRITY / Fidelis Limited Partnership



Length - 553 Feet / 169 Meters, Beam - 106 Feet / 32 Meters
Deadweight - 22,584 MTON
Military Useful Capacity - 134,374 sq ft
PATRIOT / Fidelis Limited Partnership



Length - 553 Feet / 169 Meters, Beam - 106 Feet / 32 Meters
Deadweight - 22,584 MTON
Military Useful Capacity - 134,374 sq ft
FREEDOM / Fidelis Limited Partnership



Length - 553 Feet / 169 Meters, Beam - 106 Feet / 32 Meters
Deadweight - 22,584 MTON
Military Useful Capacity - 134,374 sq ft
HONOR / Fidelis Limited Partnership



Length - 553 Feet / 169 Meters, Beam - 106 Feet / 32 Meters
Deadweight - 22,584 MTON
Military Useful Capacity - 134,374 sq ft
RESOLVE / Fidelis Limited Partnership



Length - 553 Feet / 169 Meters, Beam - 106 Feet / 32 Meters
Deadweight - 22,584 MTON
Military Useful Capacity - 134,374 sq ft
LIBERTY PRIDE / Liberty Global Logistics



Length - 553 Feet / 169 Meters, Beam - 106 Feet / 32 Meters
Deadweight - 22,584 MTON
Military Useful Capacity - 134,374 sq ft
LIBERTY PROMISE / Liberty Global Logistics



Length - 553 Feet / 169 Meters, Beam - 106 Feet / 32 Meters
Deadweight - 22,584 MTON
Military Useful Capacity - 134,374 sq ft
ALLIANCE FAIRFAX / Maersk Line, Limited



Length - 553 Feet / 169 Meters, Beam - 106 Feet / 32 Meters
Deadweight - 22,584 MTON
Military Useful Capacity - 134,374 sq ft
ALLIANCE NORFOLK / Farrell Lines Incorporated



Length - 553 Feet / 169 Meters, Beam - 106 Feet / 32 Meters
Deadweight - 22,584 MTON
Military Useful Capacity - 134,374 sq ft
ALLIANCE ST. LOUIS / Farrell Lines Incorporated



Length - 556 Feet / 169 Meters, Beam - 106 Feet / 32 Meters
Deadweight - 22,789 MTON
Military Useful Capacity - 215,169 sq ft
GREEN LAKE / Central Gulf Lines, Inc.



Length - 556 Feet / 169 Meters, Beam - 106 Feet / 32 Meters
Deadweight - 22,789 MTON
Military Useful Capacity - 215,169 sq ft
GREEN BAY / Central Gulf Lines, Inc.



Length - 556 Feet / 169 Meters, Beam - 106 Feet / 32 Meters
Deadweight - 22,789 MTON
Military Useful Capacity - 215,169 sq ft
GREEN COVE / Central Gulf Lines, Inc.



Length - 556 Feet / 169 Meters, Beam - 106 Feet / 32 Meters
Deadweight - 22,789 MTON
Military Useful Capacity - 215,169 sq ft
ENDURANCE / Fidelis Limited Partnership



Length - 556 Feet / 169 Meters, Beam - 106 Feet / 32 Meters
Deadweight - 22,789 MTON
Military Useful Capacity - 215,169 sq ft
GREEN RIDGE / Central Gulf Lines, Inc.



Length - 556 Feet / 169 Meters, Beam - 106 Feet / 32 Meters
Deadweight - 22,789 MTON
Military Useful Capacity - 215,169 sq ft
LIBERTY PASSION / Liberty Global Logistics



Length - 556 Feet / 169 Meters, Beam - 106 Feet / 32 Meters
Deadweight - 22,789 MTON
Military Useful Capacity - 215,169 sq ft
LIBERTY / Fidelis Limited Partnership



Length - 556 Feet / 169 Meters, Beam - 106 Feet / 32 Meters
Deadweight - 22,789 MTON
Military Useful Capacity - 215,169 sq ft
LIBERTY / Fidelis Limited Partnership



Length - 556 Feet / 169 Meters, Beam - 106 Feet / 32 Meters
Deadweight - 22,789 MTON
Military Useful Capacity - 215,169 sq ft
LIBERTY / Fidelis Limited Partnership



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Deadweight - 22,789 MTON
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LIBERTY / Fidelis Limited Partnership



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LIBERTY / Fidelis Limited Partnership



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Deadweight - 22,789 MTON
Military Useful Capacity - 215,169 sq ft
LIBERTY / Fidelis Limited Partnership



Length - 556 Feet / 169 Meters, Beam - 106 Feet / 32 Meters
Deadweight - 22,789 MTON
Military Useful Capacity - 215,169 sq ft
LIBERTY / Fidelis Limited Partnership



Length - 556 Feet / 169 Meters, Beam - 106 Feet / 32 Meters
Deadweight - 22,789 MTON
Military Useful Capacity - 215,169 sq ft
LIBERTY / Fidelis Limited Partnership

Heavy Lift Ships (6)



Length - 551 Feet / 168 Meters, Beam - 75 Feet / 23 Meters
Deadweight - 14,349 MTON
Military Useful Capacity - 40,412 sq ft
OCEAN FREEDOM / Fidelis Limited Partnership



Length - 545 Feet / 166 Meters, Beam - 75 Feet / 23 Meters
Deadweight - 11,215 MTON
Military Useful Capacity - 59,938 sq ft
OCEAN GIANT / Watamann Steamship Corporation



Length - 551 Feet / 171 Meters, Beam - 83 Feet / 25 Meters
Deadweight - 19,428 MTON
Military Useful Capacity - 59,224 sq ft
OCEAN GLORY / Patriot Shipping LLC



Length - 551 Feet / 171 Meters, Beam - 83 Feet / 25 Meters
Deadweight - 19,428 MTON
Military Useful Capacity - 59,224 sq ft
OCEAN GRAND / Patriot Shipping LLC



Length - 658 Feet / 201 Meters, Beam - 75 Feet / 23 Meters
Deadweight - 3,503 MTON
Military Useful Capacity - 53,342 sq ft
SLNC YORK / Argent Marine Operations, Inc.



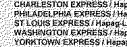
Length - 658 Feet / 201 Meters, Beam - 75 Feet / 23 Meters
Deadweight - 3,503 MTON
Military Useful Capacity - 53,342 sq ft
SLNC YORK / Argent Marine Operations, Inc.



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Deadweight - 3,503 MTON
Military Useful Capacity - 53,342 sq ft
SLNC YORK / Argent Marine Operations, Inc.



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Length - 658 Feet / 201 Meters, Beam - 75 Feet / 23 Meters
Deadweight - 3,503 MTON
Military Useful Capacity - 53,342 sq ft
SLNC YORK / Argent Marine Operations, Inc.

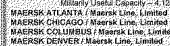
Containerships (24)



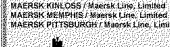
Length - 1,045 Feet / 318 Meters, Beam - 131 Feet / 40 Meters
Deadweight - 92,891 MTON
Military Useful Capacity - 5,556 TEU
MAERSK SELETAR / Maersk Line, Limited



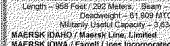
Length - 983 Feet / 299 Meters, Beam - 131 Feet / 40 Meters
Deadweight - 84,727 MTON
Military Useful Capacity - 4,126 TEU
MAERSK ATLANTA / Maersk Line, Limited



Length - 983 Feet / 299 Meters, Beam - 131 Feet / 40 Meters
Deadweight - 84,727 MTON
Military Useful Capacity - 4,126 TEU
MAERSK CHICAGO / Maersk Line, Limited



Length - 983 Feet / 299 Meters, Beam - 131 Feet / 40 Meters
Deadweight - 84,727 MTON
Military Useful Capacity - 4,126 TEU
MAERSK COLUMBUS / Maersk Line, Limited



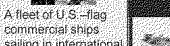
Length - 983 Feet / 299 Meters, Beam - 131 Feet / 40 Meters
Deadweight - 84,727 MTON
Military Useful Capacity - 4,126 TEU
MAERSK DENVER / Maersk Line, Limited



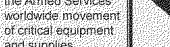
Length - 983 Feet / 299 Meters, Beam - 131 Feet / 40 Meters
Deadweight - 84,727 MTON
Military Useful Capacity - 4,126 TEU
MAERSK DETROIT / Maersk Line, Limited



Length - 983 Feet / 299 Meters, Beam - 131 Feet / 40 Meters
Deadweight - 84,727 MTON
Military Useful Capacity - 4,126 TEU
MAERSK HARTFORD / Maersk Line, Limited



Length - 983 Feet / 299 Meters, Beam - 131 Feet / 40 Meters
Deadweight - 84,727 MTON
Military Useful Capacity - 4,126 TEU
MAERSK KANSAS CITY / Maersk Line, Limited



Length - 983 Feet / 299 Meters, Beam - 131 Feet / 40 Meters
Deadweight - 84,727 MTON
Military Useful Capacity - 4,126 TEU
MAERSK KENTUCKY / Maersk Line, Limited



Length - 983 Feet / 299 Meters, Beam - 131 Feet / 40 Meters
Deadweight - 84,727 MTON
Military Useful Capacity - 4,126 TEU
MAERSK KINLOSS / Maersk Line, Limited



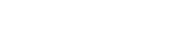
Length - 983 Feet / 299 Meters, Beam - 131 Feet / 40 Meters
Deadweight - 84,727 MTON
Military Useful Capacity - 4,126 TEU
MAERSK KNOX / Maersk Line, Limited



Length - 983 Feet / 299 Meters, Beam - 131 Feet / 40 Meters
Deadweight - 84,727 MTON
Military Useful Capacity - 4,126 TEU
MAERSK KNOX / Maersk Line, Limited



Length - 983 Feet / 299 Meters, Beam - 131 Feet / 40 Meters
Deadweight - 84,727 MTON
Military Useful Capacity - 4,126 TEU
MAERSK KNOX / Maersk Line, Limited



Length - 983 Feet / 299 Meters, Beam - 131 Feet / 40 Meters
Deadweight - 84,727 MTON
Military Useful Capacity - 4,126 TEU
MAERSK KNOX / Maersk Line, Limited



Length - 695 Feet / 210 Meters, Beam - 88 Feet / 27 Meters
Deadweight - 23,119 MTON
Military Useful Capacity - 1,892 TEU
SAPPHIRE / Maersk Line, Limited



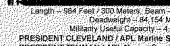
Length - 1,003 Feet / 306 Meters, Beam - 131 Feet / 40 Meters
Deadweight - 91,000 MTON
Military Useful Capacity - 5,078 TEU
PRESIDENT ROOSEVELT / APL Marine Services, Ltd



Length - 984 Feet / 300 Meters, Beam - 140 Feet / 43 Meters
Deadweight - 83,588 MTON
Military Useful Capacity - 5,794 TEU
PRESIDENT EISENHOWER / APL Marine Services, Ltd



Length - 984 Feet / 300 Meters, Beam - 140 Feet / 43 Meters
Deadweight - 83,588 MTON
Military Useful Capacity - 5,794 TEU
PRESIDENT KENNEDY / APL Marine Services, Ltd



Length - 984 Feet / 300 Meters, Beam - 140 Feet / 43 Meters
Deadweight - 83,588 MTON
Military Useful Capacity - 5,794 TEU
PRESIDENT TRUMAN / APL Marine Services, Ltd



Length - 984 Feet / 300 Meters, Beam - 140 Feet / 43 Meters
Deadweight - 83,588 MTON
Military Useful Capacity - 5,794 TEU
PRESIDENT TRUMAN / APL Marine Services, Ltd



Length - 984 Feet / 300 Meters, Beam - 140 Feet / 43 Meters
Deadweight - 83,588 MTON
Military Useful Capacity - 5,794 TEU
PRESIDENT TRUMAN / APL Marine Services, Ltd



Length - 984 Feet / 300 Meters, Beam - 140 Feet / 43 Meters
Deadweight - 83,588 MTON
Military Useful Capacity - 5,794 TEU
PRESIDENT TRUMAN / APL Marine Services, Ltd



Length - 984 Feet / 300 Meters, Beam - 140 Feet / 43 Meters
Deadweight - 83,588 MTON
Military Useful Capacity - 5,794 TEU
PRESIDENT TRUMAN / APL Marine Services, Ltd



Length - 984 Feet / 300 Meters, Beam - 140 Feet / 43 Meters
Deadweight - 83,588 MTON
Military Useful Capacity - 5,794 TEU
PRESIDENT TRUMAN / APL Marine Services, Ltd



Length - 984 Feet / 300 Meters, Beam - 140 Feet / 43 Meters
Deadweight - 83,588 MTON
Military Useful Capacity - 5,794 TEU
PRESIDENT TRUMAN / APL Marine Services, Ltd



Length - 984 Feet / 300 Meters, Beam - 140 Feet / 43 Meters
Deadweight - 83,588 MTON
Military Useful Capacity - 5,794 TEU
PRESIDENT TRUMAN / APL Marine Services, Ltd



Length - 984 Feet / 300 Meters, Beam - 140 Feet / 43 Meters
Deadweight - 83,588 MTON
Military Useful Capacity - 5,794 TEU
PRESIDENT TRUMAN / APL Marine Services, Ltd



Length - 984 Feet / 300 Meters, Beam - 140 Feet / 43 Meters
Deadweight - 83,588 MTON
Military Useful Capacity - 5,794 TEU
PRESIDENT TRUMAN / APL Marine Services, Ltd

Tankers (2)



Length - 601 Feet / 183 Meters, Beam - 100 Feet / 30 Meters
Deadweight - 21,715 MTON
Military Useful Capacity - 533,400 BBL
OVERSEAS WYCONOS / Wyconos Tanker LLC



Length - 601 Feet / 183 Meters, Beam - 100 Feet / 30 Meters
Deadweight - 21,715 MTON
Military Useful Capacity - 533,400 BBL
OVERSEAS SANTORINI / Santorini Tanker LLC

Maritime Security Program 60 Ship Capacity



Ship Type	Total Military Useful Capacity	Total Deadweight (MTON)
Roll-on / Roll-off	3,082,192 sq ft	399,074
Container	121,394 TEU	2,190,064
Heavy Lift	335,659 sq ft	97,164
Tanker	666,600 BBL	105,422

A fleet of U.S.-flag commercial ships sailing in international trade, ready to meet the Armed Services worldwide movement of critical equipment and supplies.

American Ships - American Crews - American Jobs

Revised: R. September 2018

**WITNESS RESPONSES TO QUESTIONS ASKED DURING
THE HEARING**

MARCH 7, 2019

RESPONSES TO QUESTIONS SUBMITTED BY MR. GARAMENDI

General LYONS. After conducting an internal program review and a survey of decades of studies on the topic, three consistent themes emerge: 1) that DOD's assignment cycle exerts considerable strain on capacity during the summer months; 2) that the transactional nature of our relationship with industry prevents us from capitalizing on the capacity that is available; and 3) that the program is fractured. The fractured nature of the current Defense Personal Property Program (DP3)—both in terms of the number of Transportation Service Providers (TSPs) and disparate government offices trying to manage them—is a root cause of the capacity and quality issues reported by Service Members and DOD Civilians.

The DOD is the largest single consumer of moving and storage services, accounting for 20% of the domestic household goods market, yet still competes with the broader population for assets. Under our current construct, each of the DOD's 42 regional shipping offices deals with a pool of TSPs and awards business on a shipment-by-shipment basis. In day-to-day operations, the transactional nature of this approach results in inefficient crew and truck utilization. More broadly, this transactional approach hinders industry's ability to conduct long-term planning, and with no meaningful forecast of what they can expect to move—offers no basis to invest in relationships with agents or assets to respond to DOD's very predictable demand. Centralizing demand planning with a single entity improves utilization of available capacity.

In addition to better utilizing existing capacity, I believe this construct will attract new providers. Industry representatives who are currently unaffiliated with DP3 state that the program's existing over-engineered rules make DOD an unattractive partner; while the DOD pays competitive rates, much of industry would rather serve the 80% of the non-DOD domestic moving and storage market. [See page 31.]

Admiral BUZBY. MARAD's fleet meets all current dry cargo capacity and capability requirements as concluded by U.S. Transportation Command's (USTRANSCOM) 2018 Mobility Capabilities and Requirements Study. The RRF also meets the criteria defined in the Required Operational Capabilities-Projected Operational Environment instruction promulgated by the Office of the Chief of Naval Operations. While modernization of the fleet is always a consideration, the make-up of the fleet is determined by USTRANSCOM, Combatant Commands, and service specific requirements, as well as the overarching Department of Defense (DOD) guidance provided by Joint Staff and the Office of the Secretary of Defense (OSD). During 2015–2016, MARAD participated in the OSD Cost Assessment and Program Evaluation (OSD CAPE) Global Mobility-Strategic Portfolio Review, which resulted in no changes to the ship capabilities or composition of the RRF. MARAD is currently participating in the joint OSD CAPE/USTRANSCOM requirements study for the missions of auxiliary crane ships (T-ACS) and heavy lift ships (Cape M), and will also assist with the DOD's tanker study to look at petroleum movement requirements. MARAD works continuously with our DOD stakeholders for sealift and special capability ship acquisitions to meet existing operational requirements as well as future needs for recapitalization. [See page 30.]

RESPONSE TO QUESTIONS SUBMITTED BY MRS. HARTZLER

General LYONS. The DOD encounters the same set of challenges—and results—each peak season: quality capacity is lacking, DOD has limited accountability measures to drive improvements, and DP3 customers do not know who to call when things go wrong. Restructuring DOD's relationship with industry promotes long-term stability and investment that ultimately eliminates unnecessary friction and opacity for DP3 users. Building relationships with trusted suppliers and increasing accountability should lead to increased customer satisfaction.

The DOD is the largest single consumer of moving and storage services, accounting for 20% of the domestic household goods market, yet still competes with the broader population for assets. Under our current construct, each of the DOD's 42 regional shipping offices deals with a pool of TSPs and awards business on a shipment-by-shipment basis. In day-to-day operations, the transactional nature of this

approach results in inefficient crew and truck utilization. More broadly, this transactional approach hinders industry's ability to conduct long-term planning, and with no meaningful forecast of what they can expect to move—offers no basis to invest in relationships with agents or assets to respond to DOD's very predictable demand. Centralizing demand planning with a single entity improves utilization of available capacity. In addition to better utilizing existing capacity, I believe this construct will attract new providers. Industry representatives who are currently unaffiliated with DP3 state that the programs existing over-engineered rules make DOD an unattractive partner; while the DOD pays competitive rates, much of industry would rather serve the 80% of the non-DOD domestic moving and storage market.

Many move managers and asset-based providers agree that DOD's business model is outdated, and recognize the business opportunities associated with this change. The opportunity to engage and invest in longer-term relationships and operate in an environment with other industry professionals free from DOD's artificially complex business rules is an attractive prospect. [See page 27.]

RESPONSES TO QUESTIONS SUBMITTED BY MR. KELLY

General LYONS. After conducting an internal program review and a survey of decades of studies on the topic, three consistent themes emerge: 1) that DOD's assignment cycle exerts considerable strain on capacity during the summer months; 2) that the transactional nature of our relationship with industry prevents us from capitalizing on the capacity that is available; and 3) that the program is fractured. The fractured nature of the current DP3—both in terms of the number of Transportation Service Providers (TSPs) and disparate government offices trying to manage them—is a root cause of the capacity and quality issues reported by Service Members and DOD Civilians.

The DOD is the largest single consumer of moving and storage services, accounting for 20% of the domestic household goods market, yet still competes with the broader population for assets. Under our current construct, the DOD relies on 42 regional shipping offices to manage the operations of 950+ Transportation Service Providers on a shipment-by-shipment basis. In day-to-day operations, the transactional nature of this approach results in inefficient crew and truck utilization. More broadly, this transactional approach hinders industry's ability to conduct long-term planning, and with no meaningful forecast of what they can expect to move—offers no basis to invest in relationships with agents or assets to respond to DOD's very predictable demand. Centralizing demand planning with a single entity improves utilization of available capacity.

In addition to better utilizing existing capacity, I believe this construct will attract new providers. Industry representatives who are currently unaffiliated with DP3 state that the program's existing over-engineered rules make DOD an unattractive partner; while the DOD pays competitive rates, much of industry would rather serve the 80% of the non-DOD domestic moving and storage market.

In today's program, 14 companies either own or manage 90% of the 950+ TSPs in the program. There are currently layers in the program that we do not understand, and some that we are likely unaware. Far from adding layers to the program, we seek to remove those layers that make it difficult for family members to know who to call when things go wrong and of that prevent money from flowing to those that actually deliver services to the curb. [See page 24.]

Admiral BUZBY. The entity that contracts for vessels for the carriage of DOD fuel is Military Sealift Command (MSC) on behalf of the Defense Logistics Agency. MSC had 20 foreign flag charters, both voyage charters and short-term time charters, for the period April 1, 2018 through March 31, 2019. [See page 22.]

RESPONSE TO QUESTIONS SUBMITTED BY MRS. LURIA

General LYONS. Planning and analysis of contingency sourcing solutions assumes that ships in MSP and VISA programs are expected to transit from their current location to their next port of call to download existing cargo and proceed to a designated seaport of embarkation. The timelines to reach the assigned seaport will vary. In coordination with commercial partners, we have done analysis to assess how this will likely play out in execution. Based on that analysis, we generally expect commercial vessels will arrive on berth between approximately 8 and 30 days based on each commercial vessel's historical patterns of operation, with an average of approximately 17 days from notification until available for DOD tasking. [See page 17.]

QUESTIONS SUBMITTED BY MEMBERS POST HEARING

MARCH 7, 2019

QUESTIONS SUBMITTED BY MRS. LURIA

Mrs. LURIA. Does the ability of USTRANSCOM to respond to sealift contingency operations depend on the assumptions made in the Maritime Workforce Working Group?

Does it concern you that if these assumptions are not correct, we may not be able to activate our entire Surge Sealift and RRF ships?

General LYONS. Yes. For major contingency operations, force deployment and sustainment requirements are met through a combination of government-owned organic and commercial sealift capacity. As stated in the Maritime Workforce Working Group (MWWG) Report to Congress, operation of both the government-owned organic surge sealift fleet and the commercial fleet relies on a pool of current and qualified commercial merchant mariners.

The National Security Directive on Sealift (NSD 28) gives the Department of Transportation (DOT) the responsibility to determine the adequacy of manpower (mariners) support operations during a crisis. The MWWG report is consistent with previous DOT evaluations that concluded that the mariner pool was sufficient to support the initial activation of the surge fleet, but would be challenged during a period of sustained operations during which crew rotations would be required on the organic and commercial fleets. Of most concern is the prolonged contraction of the internationally trading U.S.-Flag fleet and cargo opportunities needed to maintain the associated mariner pool.

Mrs. LURIA. What is the current no-notice activation success rate for MSC ships? MARAD ships?

General LYONS. The no-notice activation (known as Turbo Activations) success rate for MSC ships over the last 10 years is 72%. The no-notice activation success rate for MARAD ships over the last 10 years is 92%. Since 1 January 2018, six of seven MSC ships (86%) and 29 of 30 MARAD ships (97%) successfully executed a no-notice activation.

However, no-notice activation success for available vessels is only a partial indicator of readiness. Vessel availability in Reduced Operating Status Five-Days has steadily declined over the last several years. This fleet comprises a significant portion of the planned delivery capacity at an objective goal of 85% total square footage. In mid-April 2019, the overall surge fleet availability was 57% with MSC vessels at 41% and MARAD managed vessels at 68%. This decline in availability is directly attributed to the vessels' age-related reduced readiness and inadequate funding to keep pace with corresponding increases in maintenance costs. This reduced availability would directly impact the critical first sailing in the Time Phase Force Deployment Data flow, which would have a cascading impact throughout the sealift deployment. This problem is exacerbated since most organic vessels will be asked to turn three times. As described in the Mobility Capabilities and Requirements Study 2018 (MCRS-18), the state of surge sealift fleet readiness adds risk to meeting the NDS wartime deployment requirements.

My top priority is maintaining sealift readiness to meet Department of Defense (DOD) force deployment and sustainment requirements. The organic sealift fleets are at an advanced age with the Ready Reserve Force at nearly 44 years old and the oldest in the fleet being 55 years old. Continued Service Life Extensions on existing aging ships will not provide readiness outcomes needed, but it will increase cost and risk. The acceleration of the acquisition of used vessels is the most practical means to alleviate readiness concerns in the near-term, and a significant portion of the fleet must be recapitalized with affordable vessels very soon.

Mrs. LURIA. Do no-notice activations require the ships to be underway for any specific period of time?

General LYONS. No-notice activations (Turbo Activations) require the ships to be underway three to four days. However, this depends on the agenda for the Turbo Activation. A normal Turbo Activation will require three days at sea in order to allow a vessel to leave port, get out to sea, go through the at-sea agenda items, and return to berth. If contested environment (CE) training is added to the agenda, the CE agenda items will take place after the at-sea agenda items are completed, necessitating another day or two at sea depending on the extent of the CE agenda.

Mrs. LURIA. Is that time sufficient to give you confidence that they can be ready to complete the entire embarkation and debarkation required for contingencies?

General LYONS. The purpose of Turbo Activations is to validate the readiness of vessels through evaluation of their ability to meet activation time standards and DOD mission requirements, and in-so-doing to provide USTRANCOM with an assessment of the entire Organic Surge Fleet. Turbo Activation exercises validate the readiness of selected MSC Surge and Ready Reserve Force vessels to effectively transition from Reduced Operational Status (ROS) to Full Operating Status within the ROS "days to activate" readiness timeframe and to verify vessel maintenance programs. For the limited number of fully mission-capable vessels in the RRF and Surge Sealift fleet, our analysis indicates a strong correlation between the ability to successfully activate and the ability to operate reliably for approximately 180 days; however, other readiness factors indicate that fewer than 60% of the RRF and surge sealift fleets could meet mission requirements today.

Mrs. LURIA. Can you please make the activation data available to my office?

General LYONS. The activation data is attached.

[The information referred to was not available at the time of printing.]

Mrs. LURIA. Your staff and component commands conduct sealift contingency sourcing solutions for different OPLANS and CONPLANS based on a specific C-day, is that correct?

General LYONS. Correct, USTRANCOM conducts sealift contingency sourcing solutions for different OPLANS and CONPLANS based on a specific C-day.

Mrs. LURIA. Is it correct that this contingency sourcing solution assumes that ships in the MSP and VISA program will be ready to load cargo in 10 days?

General LYONS. No. Pending notification, commercial vessels are expected to transit from their current location to their next port of call to download existing cargo and proceed to a designated seaport of embarkation. The timelines to reach the assigned seaport will vary. In coordination with commercial partners, we have done analysis to assess how this will play out in execution; in light of that, we generally expect commercial vessels will arrive on berth between approximately 8 and 30 days, with an average of approximately 17 days.

Mrs. LURIA. Does this contingency sourcing take into account where the ships are in the world or do we just assume that they will be available in 10 days?

General LYONS. Contingency sourcing does take into account where the ships are in the world. USTRANCOM uses an analytic estimate of the likely position of each vessel based on their historical commercial activity locations, consistent with the previous answer.

Mrs. LURIA. What I am getting at here, is that I have serious concerns about our ability to meet the most stressing OPLANS based on some of the assumptions we have made on mariners, the assumptions we have made about the MSP and VISA ship availability and the current condition of the sealift and Ready Reserve Fleet. Do you share these concerns because just a few weeks ago, LT GEN Broadmeadow said at a committee hearing that we were able to meet initial sealift requirements?

General LYONS. The current VISA (which include the MSP fleet) and Ready Reserve Fleet capacity is sufficient to meet initial sealift requirements, but reduced readiness degrades availability for fleet-level generation. While the mariner pool is sufficient for activating the fleet, it will be challenged to sustain prolonged operations for more than 180 days. As described in the Mobility Capabilities and Requirements Study 2018 (MCRS-18), readiness of the surge sealift fleet adds risk to meeting the NDS wartime deployment requirements and near-term recapitalization of the organic surge/RRF is necessary to improve readiness and avoid further risk.

Mrs. LURIA. Other than the contractual requirement for the operating companies to man and get the ships underway, is there a specific requirement for the mariners in the Commercially Owned Coastwise/Ocean Going fleet to man these ships?

Admiral BUZBY. The U.S. merchant marine, for the most part, is a volunteer, civilian work force. Mariners seek employment through multiple maritime labor unions, private ship operating companies, and crewing agencies. Other than seagoing mariners under a service obligation for U.S. Merchant Marine Academy attendance or receipt of Student Incentive Payments at State Maritime Academies, assignment to a U.S.-flag ship is for the purpose of employment and is voluntary. For ships engaged in foreign trade, mariners normally sign an agreement with the ship's Master detailing the length of the voyage and the ports to be visited. Under such an agreement, a mariner commits to serving for the entire voyage until their return to a U.S. port.

Mrs. LURIA. Is there an incentive for personnel to volunteer to man the RRF and Sealift fleet?

Admiral BUZBY. Patriotism, gainful employment, and the ability to obtain sea-time for credentialing purposes are the incentives to crew Ready Reserve Fleet

(RRF) or other sealift ships. While some assignments include imminent danger pay or ammunition bonuses, these are earned benefits received for taking on a hazardous assignment while in the service of the vessel. Historically, U.S. Merchant Mariners have struggled for receipt of benefits, like those provided by the G.I. Bill, including those mariners who served during World War II. These are some of the reasons MARAD pushed for legislation and received authority to grant re-employment rights for mariners who volunteer to crew our sealift ships, leaving shore side employment temporarily when the Nation calls (see 46 U.S.C. § 52101).

Mrs. LURIA. So for every 26 people that don't volunteer, we can't get one ship underway, is that correct?

Admiral BUZBY. There is a means to sail a ship "short" of its statutory complement of credentialed crewmembers; however, this option is rarely implemented. Sailing short is more common overseas in the event of crew member illness or misconduct when the member is discharged during the foreign voyage and repatriated. Additionally, MARAD has a Memorandum of Agreement with the Secretary of the Navy for mobilization of Navy Reserve members of the Strategic Sealift community to augment the RRF crews of sealift ships. However, without adequate mariners that step-up and voluntarily take positions on these vessels, we could have trouble keeping the ships underway for long durations. This issue becomes even more problematic particularly with the senior positions on those vessels, such as Master, Chief Mate, Chief Engineer, and First Assistant Engineer positions.

Mrs. LURIA. In the Maritime Workforce Working Group there are a number of recommendations to solve this problem. However, we cannot wait any longer. My concern is not for 10 years in the future when these recommendations are implemented, but can we get our ships underway tomorrow?

Admiral BUZBY. Yes, we can get RRF ships underway tomorrow, but may not be able to sustain a prolonged sealift mobilization beyond six months. MARAD conducts an annual exercise, in coordination with the Military Sealift Command (MSC), U.S. Navy Reserve, U.S. Coast Guard (USCG), maritime labor unions, ship managers and operating companies, and the American Bureau of Shipping, to identify shortfalls in crewing. MARAD is working closely with the U.S. Transportation Command (USTRANSCOM), MSC, USCG, and the commercial maritime industry to develop proposals to maintain an adequate number of trained mariners, and to ensure our mariners receive specialized training to operate in contested waters, such as chemical, biological, and nuclear defense training, marksmanship, and shipboard damage control in the event of an attack. Additionally, we are working to better track licensed mariners who may no longer be sailing, but could serve if needed, and to develop tools to understand and analyze changes in the numbers of fully qualified mariners trained and available to meet the Nation's commercial and sealift requirements at any given time.